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- *Budget Message of the Governor*
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FROM THE

CALIFORNIA STATE BUDGET

SUPPORT AND LOCAL ASSISTANCE

CAPITAL OUTLAY

AND

FIVE-YEAR CONSTRUCTION PROGRAM

For the Fiscal Year

July 1, 1966 to June 30, 1967

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Submitted by

EDMUND G. BROWN

Governor

to the

CALIFORNIA LEGISLATURE

1966 Budget Session

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Budget Message

of

EDMUND G. BROWN

Governor of California

1966–67 Budget Transmitted to the California Legislature

FEBRUARY 9, 1966

To the Senate and Assembly of the Legislature of California:

In accordance with provisions of the State Constitution, I am transmitting herewith my recommended budget for the State for the 1966–67 fiscal year.

I have already communicated to you my views on the urgent business before us. I have outlined my program for further progress in all sectors of our economy—private and public, state and local. I have detailed our most pressing problems, and recommended courses of action. I have told you of the benefits achieved through a sound administration by leadership long experienced in governmental affairs. I have told you the overall cost of meeting the services required by nineteen million people in a richly endowed State—the largest and certainly one of the most prosperous in the leading Nation of the world.

There remains the task of outlining the details and explanations of that cost. This will be done in this Message and the accompanying budget document.

Let me first, however, briefly outline six facts which bear upon your consideration of this budget:

- It is the eighth consecutive balanced budget I have presented to you.
- Six years have passed without a major revision in the State's tax system.
- Last year California ranked 30th in state taxes per $100 of personal income. We ranked 28th when I took office.
- According to the latest Census Bureau data we rank 28th in net long-term debt per $100 of personal income. We ranked 23rd when I took office.
- The relative increase in State taxes per $100 of personal income since 1959–60 has been less than half as great as that in the nine other major industrial states.

● New York—the only state comparable to California in population, income and wealth—reports a $516 million expenditure increase next year, half again the growth contained in the budget I am herewith recommending to you for California.

Against this background of sound management of California's fiscal affairs, I present to you an equally sound budget for 1966–67.

EXPENDITURES FOR STATE OPERATIONS AND LOCAL ASSISTANCE
1966–67 FISCAL YEAR
(In millions)

Purpose	*Proposed amount*	*Percent of total*	*Percent of total increase*
Education	$1,653.1	45.0	37.7
Health and welfare	795.5	21.6	25.0
Transportation	470.0	12.8	9.6
Resource development	136.2	3.7	0.3
Corrections	120.7	3.3	2.4
Fiscal affairs	65.5	1.8	1.6
Business and commerce	40.4	1.1	0.5
Public safety	31.1	0.8	0.8
Shared revenue	203.9	5.5	2.5
Other	161.0	4.4	19.6
Total	$3,677.4	100.0	100.0
State operations	1,352.4	36.8	48.2
Local assistance	2,325.0	63.2	51.8

Expenditure requirements for state operations and assistance to local governments in the budget year total $3,677.4 million. Of this amount, $1,352 million (36.8%) will be spent for state activities, and $2,325 million (63.2%) will be paid to local governments, chiefly for support of public schools.

Education

Beyond doubt education is the most important single service of government. One out of four individuals in California is attending public schools, a state college or the University. At least 225,000 people are employed in this activity and expenditures by all levels of government run well above $4 billion annually.

It is not surprising, therefore, that the single function of education comprises nearly half of the expenditures of State government and accounts for more than one-third of the increase in appropriations for current operation and local assistance.

STATE EXPENDITURES FOR EDUCATION
(In millions)

	1966–67
Public schools	$1,233
State colleges and University	401
Other	19
Total	$1,653

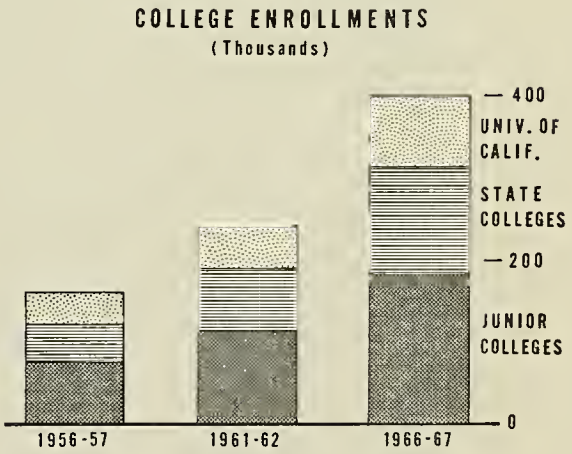
In total, State support of education in the coming year will require the expenditure of $1,653 million, an increase of $133 million over the current total. Three-fourths of this amount is budgeted for the local public school system; one-fourth will be spent directly by the State, chiefly for operation of the State colleges and the University.

California's local public school enrollment exceeds the total population of Missouri or Virginia or any one of thirty-seven other states. At an estimated 4,600,000, this year's attendance has increased by 206,000 in the course of a single year. State support of this system is based upon attendance in the prior year. Thus the 1966–67 budget provides $235.64 for each pupil now in attendance—a total of $1,084,000,000. On this basis, growth alone has added almost $50 million to the largest item in the State Budget.

In addition, the Miller-Unruh Basic Reading Act will be implemented for the first time next year. Under this legislation $8,900,000 will be appropriated to provide specialists to teach reading to children who fail to make adequate progress in this most essential tool of the whole learning process. A further appropriation of $8,000,000 is proposed for expenditure on special programs for the educationally handicapped, and $1,000,000 is provided for instructional television, of which $700,000 is a new contribution.

Other major items in the program of State support for local schools include $61,000,000 for teachers' retirement, $51,700,000 for debt service on the bonds of financially distressed districts and a tentative allotment of $15,000,000 for free textbooks—nearly double the current appropriation for this purpose. This will provide new and modern texts in science, health, history, geography and social studies. The final figure will be arrived at only after review by the Board of Education and the Department of Finance of the report of the Curriculum Commission which will be submitted later this month. These and other items will bring State payments for local schools to $1,233,000,000 next year, an increase of $76,700,000 over the current total.

Higher Education



Support of higher education will require roughly one-third as much as public schools, but expenditure requirements are growing nearly three times as fast. Whereas the initial impact of the postwar population explosion has passed through the primary and secondary grades, it is only starting at college levels. Consequently, attendance in the lower grades is increasing at five percent each year while the growth in higher education exceeds ten percent. In addition, higher education is much more costly per student—$1,300 a year at State Colleges and $2,900 at the University.

California's system of public higher education has three components: 78 junior colleges, seventeen State colleges and nine

campuses of the University of California. All are tuition free, a marked difference between California's educational policy and that of many other states.

State colleges will enroll an estimated 173,750 individuals next year, an increase of ten percent over the current number. Allowing for part-time attendance, this is the equivalent of nearly 130,000 full-time students. The recommended appropriation for the State college system is $168,110,000, an increase of $27,622,000 from the current total.

Growth is, of course, the principal ingredient in the higher cost. There will be 15,000 additional students in the programs of the various colleges, a larger gain than has occurred this year. But in addition, the budget provides for improvement in the scope and quality of instruction. It moves a step closer to year-round operation. It expands the library resources and, with the aid of federal funds, augments the student loan programs.

Provision is made for improvement in the graduate work afforded at State colleges through expansion of the faculty available to teach advanced courses. Full implementation is given to the program leading to a master's degree in social work in order to provide qualified personnel for this important service. Finally, special allowances are made for faculty improvement through a moderate increase in sabbatical leaves and research leaves.

Perhaps the greatest dollar bargain in State government is the University of California—a $694 million expenditure program at a cost of $232 million in State funds. The largest state university in the Nation, this institution draws support from many sources. Research grants and contracts with the Federal government provide its chief income source—48 percent of the total. The State contributes just one-third, while gifts, endowments and private grants constitute nearly 20 percent of its current resources.

The nine campuses of the University will enroll an estimated 80,777 students next year. Of these, the great majority will be at the various general campuses, but nearly 5,000 will attend the medical centers. Growing emphasis upon upper division and graduate work has been an important factor in the expenditure recommendation presented for the University. Whereas total enrollment will be up 8.3 percent, the growth in upper division enrollment will be 16 percent and in graduate students 9 percent.

A modest improvement is provided in the scope and quality of general courses in keeping with the changing enrollment pattern. State support will be 13.3 percent greater next year, of which 2.0 percent represents specific program augmentations. Among the latter are allowances of $1.2 million for enlarged library facilities—chiefly at the newer campuses—$705,000 for hospital subsidies and expansion of the rehabilitation center on the Los Angeles campus, $581,000 for added instructional staff and research at certain of the smaller centers, $650,000 for several projects of major interest to business and industry, and $225,000 to promote part-time employment of students, with priority to be given to

those of low income families—a cooperative effort under the Economic Opportunity Act.

The question of increases in faculty salaries and fringe benefits at the University of California and in the State college system poses a special problem. The Coordinating Council for Higher Education, after a careful study of salaries at comparable institutions, recommended a 2.5 per cent salary increase for University faculty and a 6.6 per cent increase for the State college system faculty. These have been included in the budget. The Council also recommended another 5.8 per cent increase in fringe benefits or salary equivalent for the University faculty and 0.8 per cent more for the State college faculty on the same basis. This recommendation has raised serious new questions which are under study. Faculty fringe benefits, whether in retirement plan contributions, health insurance sharing arrangements or some other form are now handled in the same manner as those of all other state employees. And State policy rightly does not provide for salary increases in lieu of fringe benefits. The Council recommendation is now being reconsidered in discussions with both the Council itself and the institutions involved.

Activities under the State's program of education are far too diverse to be covered in one brief message. However, two further activities must be outlined here. California last year increased from 5,120 to 6,400 the number of scholarships to be awarded by the Scholarship Commission. The average grant is approximately $750 a year, making awards of approximately $5 million available to students on the basis of financial need and scholastic ability. In addition, the State this year will administer the guaranteed student loan program of the federal government under which some 8,000 students will be able to borrow up to an aggregate of $6.5 million for educational purposes.

Total State cost of scholarship and loan assistance will be $5,124,000, or about $1,236,000 more than is available in the current year.

The second item of major interest is the compensatory education program now in progress in most school districts. These activities, designed to partially equalize educational opportunities, overcome language barriers, and fill cultural voids confronting children in low income homes, will involve the expenditure of $79,500,000 in *federal* funds at an administrative cost of $46,000 to the State.

California can take tremendous pride in its system of public education, reaching from kindergarten to graduate study. It has achieved world renown in many fields. Fully as remarkable is the fact that a federal report showed that although in 1964 we stood third in per capita school support, the State and local governments of California were seventeenth in the share of personal income devoted to public education. We have accomplished much: we must accomplish more.

Resources

Californians this year will spend the equivalent of 23 cents per $100 of personal income on State activities designed to preserve, develop and improve our natural resources. This includes such conservation services as those provided by the Division of Forestry which will spend $28.9 million in the protection of forest, brush and watershed areas. It includes the developmental and regulatory activities of the Agriculture Department with $26.5 million; the recreational services of the Departments of Fish and Game and Parks and Recreation; grants to local governments for flood control and beach erosion control; assistance for small craft harbors, and the operations—but not the gigantic water development projects—of the Water Resources Department and related water control agencies.

The aggregate cost of these services will reach $136,172,000, an increase of $971,000 over the current fiscal year. So the bill for resource protection to be submitted to the people of this State next year will drop to the equivalent of 21 cents for each hundred dollars of personal income.

Crime and Criminal Justice

California faces a peculiar situation in its control of crime and its administration of criminal law. We know far more regarding the extent and types of crime than many other states. Our definitions are more precise, our reporting more complete and our data more meaningful. On occasion this gives the impression that crime is rampant in California, when in fact we are only providing better information. The truth is that data on crime over the six-year period through 1964 show that among the ten largest states California was lowest in rate of increase by a substantial degree when population growth is taken into consideration.

Despite this enviable record, crime is still extremely costly from the standpoint both of society and the economy. Excellent as our information is, *we still do not know enough about crime to deal most effectively with its basic problems.* We should know more about its fundamental causes—whether economic, social or psychological. We should know more about the initial manifestations of criminal tendency. We should know more about the best methods of crime detection and prevention. We should know more about the comparative effectiveness of different methods of rehabilitation, training and treatment. We should know more about efficient parole procedures.

These facts have led me to recommend improvements in the administration of criminal justice programs. We will provide better information systems, new methods of recording this information, better analysis procedures, more rapid retrieval of information and faster communication with local law enforcement offices.

In short, we propose to utilize the most modern scientific methods, the newest technology and the finest automatic processing equipment in extending our knowledge of criminal activities; thus to reduce the tremendous social and economic waste inherent in this age-old aspect of human conduct. Our attack will be launched through local enforcement offices, the State Department of Justice and the correctional programs of the Youth Authority and the Department of Corrections.

Perhaps of most interest to local law enforcement offices is the provision of $250,000 to provide grants to local agencies for testing new techniques in combating crime and exchanging information among local units.

Highway Patrol

Chief development in the group of State services to motorists is the initial step in the plan to double the Highway Patrol by 1968. More than one thousand new traffic officers will be provided next year in a major effort to curb highway accidents and to establish a vehicle inspection service. They will help assure the safe and lawful flow of traffic on our 83,000 miles of federal, State and county highways. This expansion of the field force, coupled with the necessary complement of staff personnel, is the principal element in a $14.7 million rise in expenditures of the Highway Patrol.

Health and Welfare

Chapter 4 of the Second Extraordinary Session of last year will stand as a landmark in this State's social history. It established the California Medical Assistance Program and carried this State into the nationwide plan to reduce one of the major worries of the aged.

Many aspects of this program are still in the planning stage and I intend to send a special addendum to the Budget when details are complete. But for purposes of your general information on this subject it is anticipated that the State's gross contribution in the current year will be approximately $53 million and this will rise to $152 million in 1966-67. This latter sum, combined with $292 million in federal funds and $140 million in county matching will provide a $584 million medical assistance program next year.

It must be emphasized, however, that the new program will supplant existing State expenditures for medieal assistanee. There is no net budgeted increase in eost to the State beyond that which would normally aecrue next year as a result of growth in the welfare caseload. These and other details will be expanded in my later statement on this important subject.

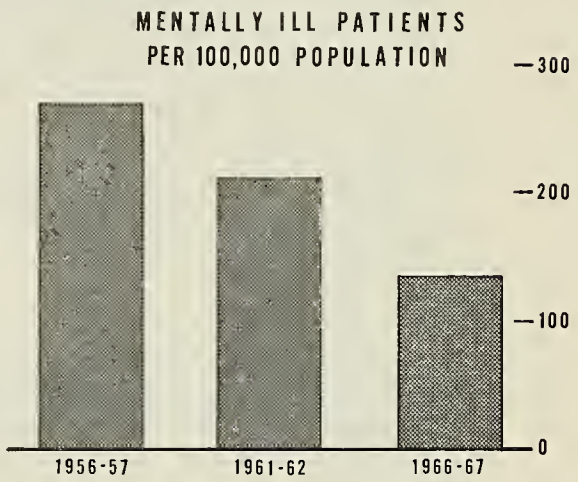
Continued growth in the number of children receiving public assistance has carried the caseload in these programs to new highs. An estimated average of 704,000 children and responsible

relatives will receive assistance during the coming year, an increase of 82,000 over the current year. The total cost of this aid will reach $388 million, of which the State will pay $136 million.

The situation of increasing caseload in the midst of unparalleled prosperity demonstrates the vital necessity of breaking the poverty cycle and opening to many thousands of our family groups the opportunity for achievement where now there is only a sense of helplessness and defeat.

To a great extent the same situation exists in the program of aid to disabled. Here the number of cases will closely approach 100,000. The cost to the State will be $59 million, up $1.7 million from the current year. This, too, demonstrates the need for even greater emphasis upon rehabilitation and the challenge confronting our new Rehabilitation Department.

Mental Hygiene



California's two-phase attack upon the problems of mental health—modern treatment and local care wherever possible—continues to yield rich returns not only in health, happiness and social gain, but in dollars as well. The mentally ill in State hospitals at the end of the current fiscal year will be almost 10,000 below the number of June 30, 1959.

Of nearly equal importance is the fact that construction of facilities for mentally ill patients has not been required since the addition of 430 beds at Patton State Hospital in 1960. Once it was believed necessary to provide a new institution each biennium. The dramatic decline in the number of resident patients has been accomplished in spite of a spiraling population and is attributed to continued improvements in care and treatment throughout the State hospital system and to the expansion of local mental health services.

The situation is hopeful for the even more difficult problems of the mentally retarded. Here, too, great progress is being made in discharging our responsibility to those who must have institutional care.

The recommended budget provides for further expansion in the capacity of community facilities for treatment and care of the mentally ill. Home care, clinics and local mental health programs developed under the Short-Doyle Act have proven their worth and will be extended.

Improvements in the treatment programs at mental hospitals include modest further reductions in the ratio of patients to employees, further utilization of tranquilizing drugs and extension of the surgical programs. Provision is made for a moderate expansion in the placement of mentally retarded patients in private care facilities through the cooperation of local health departments. A total of $1,513,000 is provided under legislation adopted last year for the purpose of accelerating local care of the mentally retarded.

A second local health activity to be stimulated by local assistance grants is the care and treatment of alcoholics. Legislation adopted last year allows the State to participate as a major partner in local programs to control alcoholism, including diagnosis, counciling, treatment and other activities designed to bring relief to individuals suffering from this disability. A total of $1,867,000 is provided for this purpose next year.

Work of the Department of Rehabilitation will be expanded without an increase in State costs. Greater participation by the federal government will make possible a substantial increase in the activities of this unit, especially in the area of vocational rehabilitation, services to the physically handicapped and nonprofit workshops.

Highlights of Other Recommendations

Virtually every aspect of the State's service program will have interest to many groups and many individuals. Recommendations of general interest include:

- Allocation of $22.2 million in State funds for improvement of conditions in areas of poverty, especially to improve educational and employment opportunities. The vital importance of this matter dictates special consideration not possible in this Budget Message and I shall, therefore, prepare and submit to you a special statement on the problems involved and recommended action.

- Reactivation of the Economic Development Agency to provide (1) economic research reports essential to decisions in business and government; (2) assistance to local units engaged in economic development; and (3) assistance to companies seeking to locate in California.

- Expansion of activities designed to protect California consumers and to prosecute those guilty of consumer fraud.

- Provision of $38.9 million to maintain parity between State salaries and those paid by other employers. This will be financed in substantial part by improved productivity, just as productivity has been the source of salary increases in private industry.

- Expansion of the Department of Housing and Urban Development to enforce adequate standards in housing and health

facilities and to assure full utilization of federal aid for community development and redevelopment.

- Adoption of modern electronic data processing methods in such activities as the handling of 145 million motor vehicle records and rate setting by the Public Utilities Commission. Last year alone the Commission saved the people of California $75 million.

- Initiation of a modern data communication and processing system as the first step in a federated statewide information network.

- Reorganization and strengthening of the Industrial Accident Commission.

- Exploration of new methods for the control of air pollution and the purity of our ground water supply in highly urbanized areas.

- Substantially greater utilization of federal funds available for temporary housing, basic literacy training at farm labor centers through a modest expansion in the Migrant Master Plan approved last year.

CAPITAL OUTLAY

The capital outlay budget of California's State government next fiscal year calls for the expenditure of $929,390,000 from current revenue and bond funds. Approximately 40 percent of the money for this purpose will be current taxes and other similar receipts; 60 percent will be derived from the sale of State bonds.

CAPITAL OUTLAY BUDGET
From State Revenue and Bond Sources, 1966–67

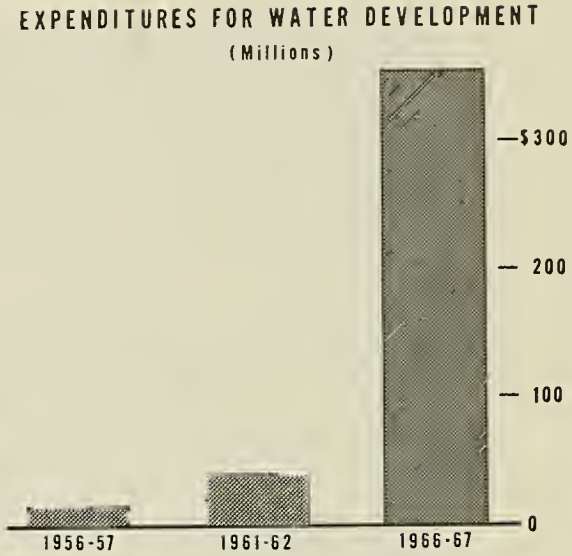
Purpose	*Millions*
Resource development	$419.1
Highways, etc.	321.1
Education	134.4
Corrections	29.1
Health and Welfare	17.1
Other	8.6
Total	$929.4

The actual volume of capital investment contemplated in this program is, however, in excess of $1.4 billion. The difference between these two amounts is made up chiefly of federal grants for construction purposes, expenditures from gifts and donations, borrowings of self-supporting enterprises, such as dormitories and parking facilities at centers of higher education.

This year for the first time the capital outlay budget presents an estimate of building needs for the coming five years as well as the budget period. It, therefore, combines two former documents into one more informative source on present and future capital requirements.

Conservation and Development of Natural Resources

With the State Water Project in its fifth year of construction and one of the Nation's most far-reaching State park plans well underway, resource development takes first place in California's program of capital investment. In the aggregate, expenditures for the conservation and development of natural resources will reach $419,132,000, an increase of $47 million over the current year volume.



Leading item of expenditures is, of course, the water project. In total, payments of more than $344 million will be required as the Oroville Dam approaches fifty percent completion and construction continues on the San Joaquin Valley aqueducts, the complex of dams, reservoirs and canals which within the course of the next five years will deliver water to Southern California.

Park development will continue at approximately the current rate, with acquisition and construction scheduled at $64,236,000, a little more than $2.4 million above the current year's total. As a result of the park bond issue approved in 1964 the State is now in a position to acquire beach, mountain, desert and historical areas which will enhance the recreational opportunities of our citizens and will serve as a tourist magnet in the coming years of greater leisure time and travel opportunity.

The utility value of our park program will be felt almost immediately as a result of the accelerated acquisition and early use plan. It is proposed to open the newly acquired areas to public use as rapidly as possible by constructing access roads and providing temporary camp and picnic facilities.

Other recommendations for the conservation of our natural resources include the proposed expenditure of $3,197,000 for new fire stations, conservation camps and other improvements by the Division of Forestry, $3,276,000 for wildlife preservation and $4,490,000 for construction at the various district agricultural fairs.

Education

While budget figures indicate a reduction in the construction programs for higher education, actual construction will increase by $28 million. The difference lies in the use of new federal funds and other nonstate resources by both the University and the State colleges. Expenditures from State revenue and bond funds will

total $134,387,000, a decline of $47.3 million from current levels. However, the availability of federal grants and other resources will allow a construction program for education substantially exceeding a quarter of a billion dollars.

Chief objectives of the University are the development of the campuses at Santa Barbara and Davis and the newer locations at San Diego, Santa Cruz and Irvine.

Similarly, it is a new State college in southern Los Angeles county which is budgeted for the largest expenditures next year. Other colleges for which large construction programs are proposed include San Diego, San Jose, California Polytechnic College, Sonoma, San Francisco and Fullerton.

The critical need for new facilities to meet the requirements of 111,300 more students at our centers of higher education within five years will necessitate approval of another education bond issue this fall. We are confronted by the prospect of 32,000 more students at the University, a growth of 35,300 in the enrollments of our State college system and 44,000 greater attendance at local junior colleges. If we are to be ready to meet the needs of four students where there are now three, we must have greater financial resources. I, therefore, recommend your approval of a $280 million bond proposal to be voted on at the general election in November. This will follow a $260 million issue for local school building aid which must be submitted to the voters in June. Of this, $240 million is to continue the plan of State assistance to financially distressed districts. Another $20 million has been added to provide for portable classrooms in school districts in which special efforts are to be made to reduce class size.

In this connection, I recommend immediate action to dedicate that portion of the future tideland oil and gas revenue which has not been allocated to other purposes in this budget. The dedication shall be for capital outlay in the field of higher education. This resource, coupled with a moderate allocation from tax revenue, will place a very substantial part of our future building program on a pay-as-you-go basis.

Highways

Highway construction will reach $654,200,000, with the federal and state government sharing almost equally in the total. Federal funds are budgeted in the same way as other money, but are not taken into the budget totals. State expenditures will amount to $314,800,000.

The highway program calls for construction of 320 miles of new multilane freeways and additional lanes on 29 miles of existing freeways—plus of course the normal construction on the remainder of California's 14,200 mile State highway system. Of the $339 million in federal funds, $289 million is designated for expenditure on the interstate system.

Other Capital Outlay

Although of tremendous social importance, other capital expenditures are so small in relation to the major investments they tend to lose significance. Expenditures for youth and adult corrections, for example, are recommended at $29,125,000—an amount equal to only 7 percent of the total for resource development. Yet this will provide a vitally needed reception center in Southern California, a Medical-Psychiatric Institution and conservation camps and other needed additions at the various schools of the Youth Authority.

The Department of Corrections will construct a new Special Security Facility at Vacaville and will do extensive replacement and remodeling at several of the adult facilities under the capital outlay program proposed for that agency next year.

The construction program recommended for health and welfare *is actually $7.3 million less than that proposed for the same purpose a decade ago.* Provision is made for expansion of the Neuropsychiatric Institute at the University of California at Los Angeles and for later replacement of the Langley Porter psychiatric center at the University Hospital in San Francisco. Other projects include ward improvements throughout the mental hospital system and the conversion of certain facilities formerly used for mentally ill patients to accommodate the mentally retarded.

REVENUE OUTLOOK

I turn now to the income side of our State budget—the taxes and other revenue which make it possible to finance the service needs I have just summarized.

Further substantial gains in California's economy during the current year will add materially to the revenue yield of existing taxes. Greater business investment, improvement in the activity of our important aerospace industries, resumption of a more normal residential building pattern, the intensification of operations in Vietnam and national prosperity will combine to carry business activity, corporate profits and personal income to new record levels in 1966.

State revenue from all sources is estimated at $3,866,700,000. Of this amount $2,738,900,000 will be available for the support of General Fund activities and $1,127,800,000 will be earmarked for specific purposes, chiefly activities related to vehicle transportation and payments to local governments.

Included in the estimate of General Fund revenue is $143,000,000 to be derived as the result of a substantive amendment and a loophole closing revision in the State personal income tax law.

ESTIMATED REVENUE
1966–67

Tax	*Millions*	*Percent*
Sales and use	$1,102	28.5
Personal income	628	16.2
Bank & corporation	457	11.8
Other General revenue	552	14.3
Total, Gen. Fund	$2,739	70.8
Motor vehicle fuel	558	14.4
Other motor vehicle	434	11.3
Other special revenue	136	3.5
Total, Spec. Fund	$1,128	29.2
Grand Total	$3,867	100.0

The present law allows a $1,500 personal exemption in the case of a single individual, or a married person filing a separate return, and a $3,000 personal exemption in the case of a married couple. These amounts are deducted from income before the tax is computed. A further deduction in the amount of $600 is provided for each dependent. In addition, the taxpayer may take a standard deduction of $500 (single or separate return) or $1,000 (married). The standard deductions are not charged in the income tax recommendation.

The personal exemption and deduction for dependents confer vastly different tax benefits for people in different tax brackets. At the lowest level the personal allowance has a tax equivalent of $15 for a single individual and $30 for a married couple. The dependent deduction is worth $6 in tax. At the upper end of the income scale, however, the personal deduction provided for a married couple is the equivalent of $210 in tax and each dependent is worth $42. There is no justification for this inequality, and I therefore recommend that we standardize the allowances by providing a deduction from tax of $15 for single individuals, $30 for married couples and $7 for each dependent. The new allowance for dependents will reduce the tax slightly for some families in the lowest income bracket.

The loophole closing amendment applies to nonresidents and persons who have lived here less than a year. I recommend that in these instances the deductions be prorated on the basis of income derived from California sources. If only a third of the gross income is earned here, only one-third of the personal credits should be taken in computing the California tax. In this way, nonresidents and part-year residents who earn income in California will be placed in the same position as other taxpayers.

Accounting Practices

State government has a moral obligation to fully utilize all available revenue resources before burdening its citizens with added taxes. This has been the principle of my administration throughout my seven years as Governor.

I have closed loopholes in existing tax laws. I have utilized for general purposes unneeded balances in special accounts and in many instances secured legislation to abolish special funds. I have accelerated the remittance of tax collections, formerly held by taxpayers—often to their own benefit.

California has for many years followed a fiscal practice long ago discarded in modern business accounting. We have, in fact, been of two minds in accounting procedures: We have accrued our expenditures; thus in effect we pay our bills before they are received. But we account our revenue on a cash basis, even though the tax money has been collected and is merely awaiting remittance to the State on a specified due date.

At my request this practice has been meticulously examined by outstanding authorities in the field of private and government accounting. They have recommended that California's state government adopt the accrual method of accounting for revenues as well as expenditures. Their report will be made available to you, but I want to quote a significant paragraph here:

> "We believe that the best interests of the State will be served by the adoption of a modern accounting system which provides for recognition of revenues when earned as well as recognition of expenditures when goods and services are received. The complete disclosure of the State's resources as well as its obligations should make a significant contribution to those who must rely upon the State's financial statements to guide them in enacting legislation, in establishing policy and in executing such policy."

I concur in the recommendation of these experts, and I have caused them to be reflected in the budget here presented.

The recommended income tax amendments, coupled with this revision in accounting practice, are the only changes necessary to finance expenditure requirements and leave a moderate General Fund surplus at the end of the budget year.

As I indicated in my opening message to you yesterday, I am also proposing a series of property tax reform measures, but they will have no major fiscal impact in the forthcoming year.

There are, of course, many other facets of this budget which deserve your close scrutiny, and I invite your attention to them.

Where economies can be effected beyond those I have already ordered, including $15 million in productivity and $5 million in welfare regulations, I once again invite you to act, offering only one qualification: Weigh as we all must the proposed cost reduction against the service reduction involved.

I have every confidence that the result will be worthy of the trust which the people of California have placed in our hands.

Respectfully submitted,

Edmund G. Brown

Governor

2—64654

Letter of Transmittal

Honorable Edmund G. Brown
Governor of California
State Capitol
Sacramento, California

Dear Governor Brown:

Presented herewith, pursuant to Article IV, Section 34 of the State Constitution, is the budget of the State of California for the fiscal year from July 1, 1966, through June 30, 1967.

The reform initiated last year to separate the presentation of the budget into two separate volumes of current operating expenditures and long-term investment in physical assets has been continued. Further steps have been taken by combining the capital outlay budget and the five-year building program into one document. This is an extension of the program budgeting concept into the field of capital outlay.

Throughout the formulation of this budget, your policies and directions calling for the development of an expenditure program providing for essential services to the people of California at the lowest cost consistent with that objective have been observed.

The revenue proposals have also followed your request that all efforts be made to protect the taxpayer's best interests, placing the minimum possible burden on him.

I must express my sincere gratitude for the cooperation of the department heads and their staffs and to acknowledge my appreciation for the able and dedicated work of the Budget Division in this task.

Respectfully yours,

Hale Champion
Director of Finance

February 1966

Schedule 1

GENERAL BUDGET SUMMARY [1]

	Reference to schedule	Actual 1964–65	Estimated 1965–66	Estimated 1966–67
GENERAL FUND				
INCOME (Revenue and transfers):[2]				
Existing law	2	$2,285,724,725	$2,547,783,605	$2,635,014,612
Tax program	2			143,000,000
OUTGO (Expenditures and transfers):[3]				
Support	3	$820,704,906	$941,073,689	$1,076,868,295
Local Assistance	3	1,495,369,802	1,674,995,162	1,838,950,872
Total Operations	3	$2,316,074,708	$2,616,068,851	$2,915,819,167
Capital Outlay	1*	28,766,500	48,063,334	36,331,731
SURPLUS OR DEFICIENCY OF CURRENT INCOME		−$59,116,483	−$116,348,580	−$174,136,286
PRIOR YEAR BALANCES AVAILABLE	4	243,843,175	203,968,545	87,619,965
PRIOR YEAR SURPLUS ADJUSTMENTS		−19,241,853		
BALANCE, End of Year	4	$203,968,545	$87,619,965	−$86,516,321
LESS: Unencumbered balance of continuing appropriations	4	55,264,124	37,169,222	12,500,531
Surplus Available for Appropriation	4	$148,704,421	$50,450,743	−$99,016,852
Adjustment to convert revenue accounting from cash basis to accrual basis[4]				268,254,000
Adjustment to convert accounting for interest expense from cash basis to accrual basis[5]				−20,877,482
LESS: Reserve for cash liquidity[6]				−132,875,987
Ending Free Surplus (Proposed Accrual Basis)				$15,483,679
SPECIAL FUNDS				
INCOME (Revenue, net after transfers):[2]				
Existing law	2	$1,009,154,870	$1,030,437,992	$1,091,193,421
OUTGO (Expenditures, net after transfers):[3]				
Support	3	$214,842,357	$240,922,585	$275,509,604
Local Assistance	3	422,982,546	466,733,461	486,119,935
Total Operations	3	$637,824,903	$707,656,046	$761,629,539
Capital Outlay	1*	354,808,083	442,450,795	334,780,204
SURPLUS OR DEFICIENCY OF CURRENT INCOME	4	$16,521,884	−$119,668,849	−$5,216,322
PRIOR YEAR BALANCES AVAILABLE	4	281,777,523	320,512,018	200,843,169
PRIOR YEAR SURPLUS ADJUSTMENTS		22,212,611		
BALANCES, End of Year	4	$320,512,018	$200,843,169	$195,626,847
LESS: Unencumbered balance of continuing appropriations	4	30,055,543	31,474,389	27,545,047
Surplus Available for Appropriation	4	$290,456,475	$169,368,780	†$168,081,800

* See Capital Outlay Budget.
† Refer to Schedule 4-A for effect of accrual basis to Special Funds.
[1] The General Budget Summary includes the revenues and expenditures of all state funds and activities that reflect the cost of State Government. The transactions involving bond funds, federal funds and other funds are excluded.
[2] Income for the General Fund includes revenues which were originally deposited in a special fund and subsequently transferred to the General Fund, and transfers of surplus from special funds. Such amounts are reduced from special fund revenues.
[3] Outgo from the General Fund includes amounts transferred to special funds and expenditures from special funds are reduced by a like amount.

[4] Accrued Revenues:

Revenue Source	Estimated Revenue Receivable June 30, 1967	Est. Allowances for Uncollectibles June 30, 1967	Estimated Net Adjustment June 30, 1967
Major Taxes			
Alcoholic Beverage Control Taxes			
Excise Tax on Beer and Wine	$1,303,000		$1,303,000
Excise Tax on Distilled Spirits	5,385,000		5,385,000
Cigarette Tax	3,351,000		3,351,000
Inheritance and Gift Taxes	28,500,000	$15,000	28,485,000
Insurance Premiums Tax	29,200,000		29,200,000
Personal Income Tax	44,000,000	13,000,000	31,000,000
Retail Sales and Use Taxes	171,750,000	8,750,000	163,000,000
Other Revenues			
County Board Charges	750,000		750,000
Oil and Mineral Royalties from State Lands	1,260,000		1,260,000
Pay Patients Board Charges	8,000,000	3,600,000	4,400,000
Department of Conservation Revenues	240,000	120,000	120,000
Totals, Accrued Revenues	$293,739,000	$25,485,000	$268,254,000

For footnotes 5 and 6 refer to following page.

FOOTNOTES FOR SCHEDULE 1

[5] Accrued Bond Interest Payable

State Construction Program Fund Bonds	$13,317,080	
State School Building Aid Fund Bonds	6,412,770	
State Beach, Park, Recreational, and Historical Facilities Fund Bonds	1,147,632	
Total		$20,877,482

[6] To maintain cash liquidity, the estimated amount of cash in agency accounts, accounts receivable—current, and deferred charges less the sum of liabilities, uncleared collections, and unencumbered balances of continuing appropriations is established as a surplus reserve to determine free surplus.

	Estimated June 30, 1967 Balances		
Cash in Agency Accounts		$11,000,000	
Accounts Receivable—Current:			
Revenue	$293,739,000		
Less: Allowance for Uncollectible Accounts	−25,485,000		
		268,254,000	
Equity in Feeder Funds		1,000,000	
Due from Other Funds		1,000,000	
Abatements and Reimbursements		18,000,000	
Other Current Accounts Receivable		5,000,000	
Deferred Charges			
Advances to Counties for Social Welfare		30,000,000	
Prepayments to Other Funds		3,000,000	
Other Deferred Charges		1,000,000	
			338,254,000
Less:			
Accounts Payable:			
State Operations	46,000,000		
Local Assistance	72,000,000		
Capital Outlay	17,000,000		
		135,000,000	
Due to Other Funds		3,000,000	
Prepayments from Other Funds		2,000,000	
Bond Interest Payable		20,877,482	
Other Liabilities		5,000,000	
Uncleared Collections		3,000,000	
Unencumbered Balances of Continuing Appropriations		36,500,531	205,378,013
Reserve for Cash Liquidity			$132,875,987

Schedule 1-A

GENERAL FUND SURPLUS AVAILABLE FOR APPROPRIATION JUNE 30, 1966

RECONCILIATION OF THE CHANGES FROM THE PREVIOUS BUDGET ESTIMATES

	1965–66 Governor's Budget Previous Estimate	1966–67 Governor's Budget Revised Estimate	
1964–65 Fiscal Year			
Income (Revenue and transfers)	$2,292,382,472	$2,285,724,725	−$6,657,747
Outgo (Expenditures and transfers):			
Support	830,534,494	820,704,906	9,829,588
Local assistance	1,510,498,558	1,495,369,802	15,128,756
Capital outlay	48,463,381	28,766,500	19,696,881
1965–66 Fiscal Year			
Prior year surplus adjustments	----------	19,241,853	19,241,853
Income (Revenue and transfers)	2,471,320,808	2,547,783,605	76,462,797
Outgo (Expenditures and transfers):			
Support	886,482,590	941,073,689	−54,591,099
Local assistance	1,689,556,374	1,674,995,162	14,561,212
Capital outlay	20,055,686	48,063,334	−28,007,648
Unencumbered balances of continuing appropriations	5,179,978	37,169,222	−31,989,244
EFFECT OF REVISED ESTIMATES OF INCOME AND OUTGO, as reported in the 1966–67 Budget			33,675,349
GENERAL FUND SURPLUS AVAILABLE FOR APPROPRIATION, June 30, 1966, as estimated in the 1965–66 Budget			16,775,394
GENERAL FUND SURPLUS AVAILABLE FOR APPROPRIATION, June 30, 1966, as estimated in the 1966–67 Budget			$50,450,743

Schedule 1-B

GENERAL FUND

STATEMENT OF FINANCIAL CONDITION

JUNE 30, 1965 [a]

ASSETS		
Cash:		
In State Treasury	$167,748,970	
In Agency Accounts	17,200,863	$184,949,833
Accounts Receivable—Current		
Equity in feeder funds	$21,025,287	
Due from other funds	47,263,464	
Abatements and reimbursements	29,638,109	
Other current accounts receivable	5,302,258	103,229,118
Accounts Receivable—Deferred		
Revenues	$10,089,831	
Due from other funds	4,627,504	
Due from local governments	4,927,697	
Interfund building loans	2,161,159	
Other deferred accounts receivable	7,298,796	
Unreimbursed debt service on school building bonds	249,761,713	
Total	$278,866,700	
Less: Reserve for deferred accounts receivable	−278,866,700	
Deferred Charges		
Advances to counties for social welfare	$37,475,904	
Prepayments to other funds	2,713,779	
Other deferred charges	1,041,038	41,230,721
TOTAL OPERATING ASSETS		$329,409,672
General Fund Fixed Assets		
Land, improvements and equipment		$1,132,901,217
Amount to be Provided for Retirement of Long Term Obligations		
Amount available for retirement of long term obligations		$3,134,000
Amount to be provided from future revenue collections and from school districts		2,389,636,344
Total amount to be provided		$2,392,770,344

LIABILITIES		
Accounts Payable		
State operations	$35,974,599	
Capital outlay	17,252,432	
Local assistance	59,423,311	$112,650,342
Due to other funds		3,282,755
Prepayments from other funds		1,891,112
Other liabilities		5,019,918
Total Liabilities		$122,844,127
RESERVES		
Uncleared collections		$2,597,000
Unencumbered balance of continuing appropriations		55,264,124
Total Reserves		$57,861,124
SURPLUS		
Restricted Surplus:		
For educational purposes [b]		$76,381,338
For Athletic Commission [c]		482,457
Unrestricted surplus		71,840,626
Total surplus available for appropriation		$148,704,421
TOTAL LIABILITIES, RESERVES AND SURPLUS		$329,409,672
State's Investment in Capital Assets		$1,132,901,217
General Obligation Bonds	$3,422,849,000	
Less: Self-Liquidating Bonds	1,693,879,000	
Net General bonded debt		$1,728,970,000
Interest payable in future years		$663,629,264
Interfund building loans payable		171,080
Net total long-term obligation		$2,392,770,344

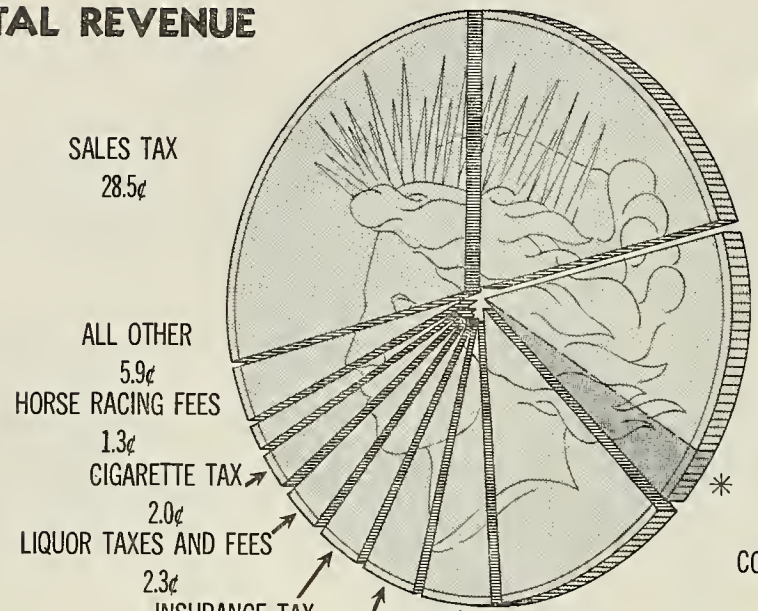
[a] The data presented in this statement is reported in the State Controller's Report for the 1964–65 fiscal year.
[b] This special reserve was abolished effective July 1, 1965 by Section 19.5 of the Budget Act of 1965.
[c] This reserve was abolished effective September 17, 1965 by Chapter 434, Statutes of 1965.

CHART 1

REVENUE DOLLARS

1966-67 FISCAL YEAR

TOTAL REVENUE



*EFFECT OF PROPOSED TAX PROGRAM

INCREASE

GENERAL FUND REVENUE

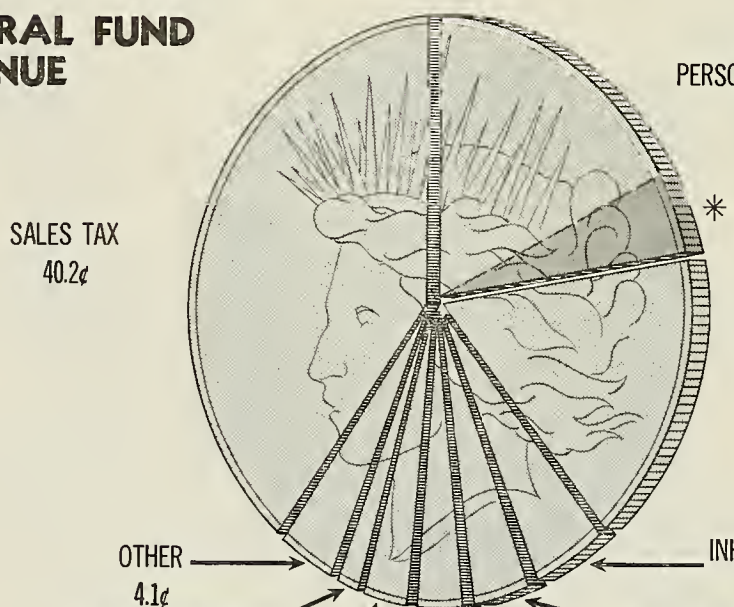


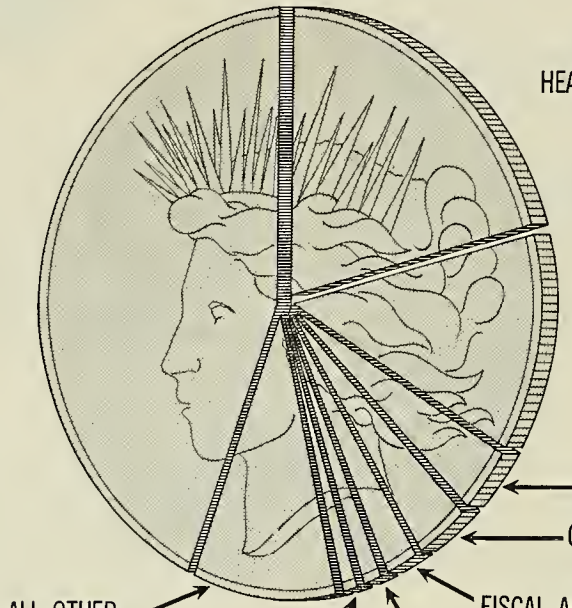
CHART 2

EXPENDITURE DOLLARS

OPERATIONS

1966-67 FISCAL YEAR

SUPPORT AND LOCAL ASSISTANCE



EDUCATION
45.0¢

HEALTH AND WELFARE
21.6¢

HIGHWAY TRANSPORTATION
12.8¢

RESOURCES
3.7¢

CORRECTIONS
3.3¢

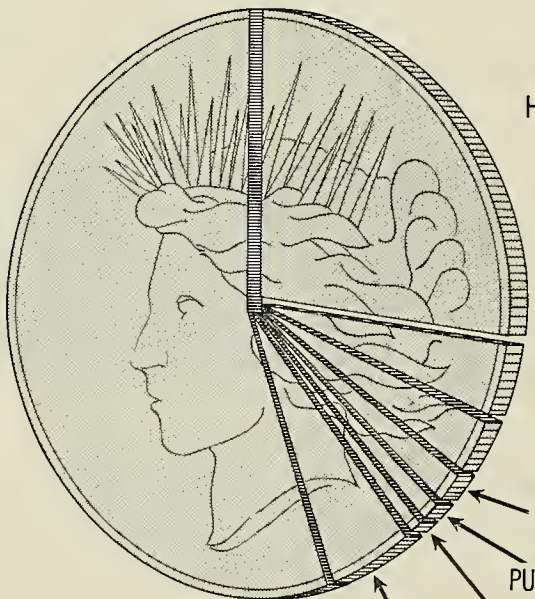
FISCAL AFFAIRS
1.8¢

BUSINESS AND COMMERCE
1.1¢

PUBLIC SAFETY
0.8¢

ALL OTHER
9.9¢

GENERAL FUND SUPPORT AND LOCAL ASSISTANCE



EDUCATION
56.6¢

HEALTH AND WELFARE
27.3¢

CORRECTIONS
4.2¢

RESOURCES
3.3¢

FISCAL AFFAIRS
2.0¢

PUBLIC SAFETY
1.0¢

BUSINESS AND COMMERCE
0.5¢

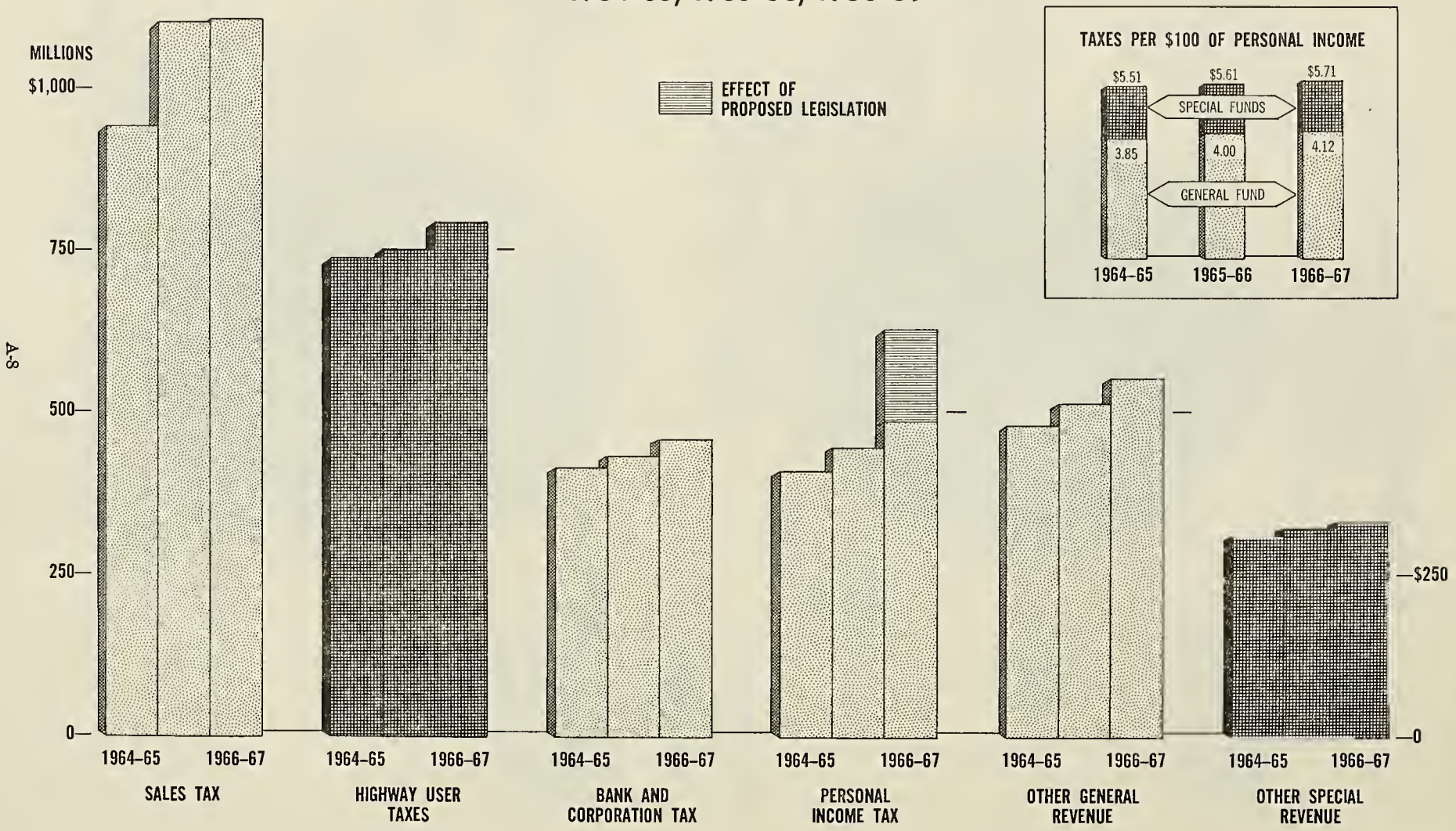
ALL OTHER
5.1¢

3—64654

CHART 3

COMPARATIVE REVENUE

1964-65, 1965-66, 1966-67



Revenue Estimates

Furtber expansion of the national economy and the associated growth of business activity in this state will produce greater revenue receipts for California. Most of the tax levies are extremely sensitive to fluctuations in economic activity, and changes in business volume are soon reflected in tax collections. Briefly, the economic assumptions underlying the 1966–67 revenue projections include a gross national product of $720 billion in 1966, personal income of $564 billion nationwide and income for the residents of this state amounting to $63.8 billion. Each of these totals is significantly higher than last year.

Procedural revisions enacted since 1963 in some of the tax laws have changed the normal flow of revenues, and, in some instances the effect will persist through the current year, the budget period, and into the year beyond. These factors are reflected in the revenue estimates, and they tend to obscure the normal relationship between business conditions and revenue receipts, especially in the case of the sales and corporate income taxes.

Revenue receipts for the ensuing fiscal year are expected to total $3,866,666,000,* compared to $3,561,828,000 for the current year and $3,294,880,000 for 1964–65. The 8.6 percent gain in anticipated revenues for 1966–67 includes not only collections under existing law but also the revenue to be derived from the income tax amendments recommended by the Governor in his Budget Message. Receipts for the General Fund during the budget year are expected to reach $2,738,859,000, up $249,285,000 from the current year and $493,780,000 more than was received in 1964–65. Of the $249 million increase, $143 million represents the effect of proposed changes in the personal income tax. Most of the remainder represents increased yields under present provisions of the 3 major levies—sales and use tax, personal income tax and the bank and corporation tax. Adjustment for changes in collection procedures and other revisions in General Fund tax laws, indicate an annual growth of approximately $150 million, or 6.5 percent under current conditions.

Receipts from the special funds are estimated to total $1,127,807,000 for the budget year, $55,553,000 more than during the current year and $78,007,000 higher than collections in 1964–65. Including a temporary increase in the motor fuel tax rates and the increase in registration fees, several factors have influenced the comparability of special fund receipts.

Comparative revenue for the General Fund and special funds for fiscal 1965, the current year and budget period are shown in Table 1.

Table 1

COMPARATIVE REVENUE

(In millions)

Taxes, fees, etc.	*1964–65 Actual*	*1965–66 Estimated*	*1966–67 Estimated*	*1966–67 Percent of Total*
General Fund:				
Sales and use	$939.6	$1,098.5	$1,101.5	28.5
Personal income	410.1	446.0	628.0 †	16.2
Bank and corporation	416.2	432.0	457.0	11.8
Inheritance and gift	114.5	121.0	132.0	3.4
Insurance	95.2	102.6	111.1	2.9
Alcoholic beverage	69.8	73.0	77.6	2.0
Cigarette	74.5	75.5	77.2	2.0
Horse racing	38.1	40.3	41.6	1.1
Other sources	87.0	100.7	112.9	2.9
Totals, General Fund	$2,245.1	$2,489.6	$2,738.9	70.8
Special Funds:				
Motor Vehicles:				
Fuels	542.8	535.9	558.2	14.4
Registration, weight, etc.	177.3	197.0	218.0	5.7
License (in lieu tax)	175.2 #	188.0	198.0	5.1
Transportation	16.0	16.8	17.6	0.5
Alcoholic beverage	11.1	11.5	11.8	0.3
Horse racing	9.4	8.5	9.0	0.2
Other	117.8	114.6	115.3	3.0
Totals, Special Funds	$1,049.8	$1,072.3	$1,127.8	29.2
Grand Totals	$3,294.9	$3,561.8	$3,866.7	100.0

† Includes $143 million from recommended tax changes.
# Excludes general fund share of vehicle license fees which have been included in other General Fund sources.

Recommendations

The revenue estimates for 1966–67 include a recommendation substituting tax credits for the personal exemption and credit for dependents now provided in the personal income tax. Specifically, a $30 credit against tax liability is proposed for a joint return, $15 for a single return and $7 for each dependent. In the lowest income tax bracket the new credits have the same tax consequence as the current personal exemption but are more liberal than the $600 deduction now allowed for each dependent.

Unlike the current law, the new credits will provide the same tax benefits for each taxpayer regardless of income level. Because of the progressive rate structure the current law gives an advantage to taxpayers in the highest income bracket 7 times greater than is given to those in the lowest bracket.

Included in the income tax proposal is an amendment providing for proration of the credits and the standard deduction, if the taxpayer is a nonresident or a part-year resident of this state. Currently, a nonresident taxable on income earned in this state and a person who has been a resident for only part of the year are given the full personal exemption and standard deduction. Frequently a similar allowance is granted elsewhere. Thus nonresidents and part-year residents receive a distinct advantage. This defect will be corrected by the proration procedure.

A second recommendation recognizes and corrects the conservative practice under which California has been accounting for revenues when received rather than when earned. The change will be made as an adjustment as of June 30, 1967 and hence is not reflected in the estimated revenue receipts for 1966–67. An explanation of the change in accounting procedure and the effect on state budget resources is given in the Budget Message and in Schedule 1 and in Schedule 4-A.

* This and subsequent dollar amounts have been rounded. Totals and differences have been computed from whole numbers and then rounded. Percentage changes have also been computed from unrounded figures.

4—64654

Revised Estimates

Revenue estimates for 1965–66 as shown in last year's budget totaled $3,507,649,000. Of this snm, $3,400,316,000 was estimated to be received from existing sources and $107,333,000 from recommended tax adjnstments. The tax program enacted by the Legislature differed materially from that recommended in the budget, but in total almost the same amount of General Fund revenue will be produced. If the budget estimates of last year are adjusted for the effects of legislation, revenue for all fnnds total $3,541,600,000, compared with $3,561,828,000 shown as revised amounts for fiscal 1966 in the current budget.

Last year's forecast of General Fund receipts, after giving effect to legislative changes, was $2,466,600,000 compared with the currently estimated total of $2,489,575,000. However, it should be emphasized that the increase in revenue for the current year was recognized as early as last May. At that time revised data for the year were prepared and presented to the Legislature. This revision, together with enacted legislation, showed $2,490,400,000, a difference of less than a million dollars from the $2,489,575,000 now expected for the current year. Thus, so far as General Fund operations are concerned, revenue changes were anticipated and reported to the Legislature before action was taken on the 1965–66 fiscal program.

Receipts from the personal income tax for the current year are now anticipated to be significantly greater than originally estimated. Although cnrrent levels of income are not materially different from the estimates of a year ago they are producing a greater amonnt of revenue. An improved outlook for corporate profits indicates greater tax receipts than were forecast for the bank and corporation tax a year ago. The sales and use tax were overestimated with the decline in residential construction and consumer purchases contribnting to the shortfall. In addition, the effect of the acceleration of sales tax collections will be slightly lower than originally estimated.

None of the remaining General Fnnd sources show material differences. Inheritance and gift tax collections are about $2 million higher, while cigarette consumption is somewhat lower than anticipated, and will fall about $1.5 million short of the original estimate. Miscellaneous General Fund receipts were higher by $3.8 million—the net effect of numerous minor increases offset in part by minor reductions.

Current estimates of revenne for special fnnds are lower than the adjusted budget estimate of last year by $2.7 million. A change in procednre for reporting receipts from the additional cent of gas tax for storm damage repair resulted in a shortfall of $15.5 million in the year, while motor vehicle fees were $10 million higher than anticipated.

A summary of the original forecasts as adjusted for legislation and the estimates shown in this bndget is given in Table 2.

Table 2

COMPARISON OF ORIGINAL AND REVISED ESTIMATES OF STATE REVENUE 1965–66

(In millions)

Taxes, fees, etc.	*Original**	*Revised*	*Changes Amount*	*Changes Percent*
Alcoholic beverage	$84.7	$84.5	–$0.5	–0.3
Bank and corporation	423.1	432.0	8.9	2.1
Cigarette	77.0	75.5	–1.5	–1.9
Horse racing	48.5	48.8	0.2	0.5
Inheritance and gift	118.6	121.0	2.4	2.0
Insurance	103.3	102.6	–0.7	–0.7
Motor vehicle:				
Fuel	551.4	535.9	–15.5	–2.8
License (in lieu)	180.2	188.0	7.8	4.3
Registration, weight	194.8	197.0	2.2	1.1
Transportation	16.5	16.8	0.3	1.8
Personal income	420.0	446.0	26.0	6.2
Private car	2.2	2.2	0.1	2.6
Sales and use	1,115.1	1,098.5	–16.6	–1.5
Total Taxes	$3,335.5	$3,348.8	$13.3	0.4
Other revenue	206.1	213.1	7.0	3.4
Total Revenue	$3,541.6	$3,561.8	$20.3	0.6
General Fund	*2,466.6*	*2,489.6*	*23.0*	*0.9*
Special funds	*1,075.0*	*1,072.3*	*–2.7*	*–0.3*

* Original estimate corrected for differences between proposed tax program and the tax adjustments enacted.

Economic Conditions

The year 1965 began on an optimistic note with high levels of activity predicted for the first half, part of which allowed for a rebonnd from the auto strike and the stockpiling of steel in anticipation of a threatened work stoppage in that industry. Snstained activity beyond midyear was viewed with some misgivings, since steel inventories would have to be worked off and a readjustment could offset the expansionary force of excise tax rednctions.

When an interim settlement moved the strike deadline to September, the buying pressure on steel lessened somewhat and the anticipated period of readjnstment was moved fnrther into the future. Beginning with midyear, the federal excise tax reductions, increased social security benefits and the announcement of expanded war efforts in Vietnam provided forceful stimulants to the economy.

Settlement of the steel labor dispute occurred early in September. Althongh there was some drawing down of inventories, it was much smaller than anticipated and the economy moved forward with lengthening strides.

Inflation so far had been avoided, but there were threats of higher price levels. Spot prices for raw materials rose rapidly in the final quarter, and indexes of both wholesale and consumer prices recorded significant gains in the closing months of 1965.

In early December, the Board of Governors of the Federal Reserve System raised both the discount rate and the permissive interest rates on certain time deposits. This action was taken to disconrage the inflationary effects of increased federal expenditures and to aid in eliminating the balance of payments problem. There was immediate concern as to the possible effect of higher interest rates on residential construction and bnsiness outlays for plant and equipment. Some of the speculative plans may have been curbed, bnt investment designed to relieve the pressnres on indnstrial capacity seems to have been unaffected.

The prospects for 1966 are unusually bright. The anticipated high level of economic activity rests principally on 3 factors—greater business investments, higher spending by all levels of government—especially for national defense—and greater price increases than those occnrring in the past several years. Even a sndden cessation of hostilities would still leave

military supply lines to be refilled, thus assuring a high level of defense expenditures through the year. Personal incomes will rise, but purchasing may be dampened somewhat by the reimposition of certain excise tax rates and the adoption of graduated federal withholding tax rates.

Components of gross national product, together with estimates of personal income, corporate profits and other major economic factors for the Nation and for California are summarized in Table 3.

Table 3
ECONOMIC DATA
(Dollar amounts in billions)

National Data	1964 Actual	1965 Preliminary	1966 Estimated	1966 Percent Change
Gross national product	$628.7	$675.6	$720.0	6.6
Consumer expenditures	398.9	428.5	453.0	5.7
Durable goods	58.7	64.8	66.0	1.9
Nondurables	177.5	189.0	200.0	5.8
Services	162.6	174.7	187.0	7.0
Private investment	92.9	104.9	111.5	6.3
Fixed investment	88.1	97.5	104.5	7.2
Residential	27.5	27.6	27.5	–0.4
Other	21.1	24.3	26.0	7.0
Producers' durable equipment	39.4	45.5	51.0	12.1
Change in inventories	4.8	7.4	7.0	–5.4
Net exports	8.6	7.2	7.0	–2.8
Government purchases	128.4	135.0	148.5	10.0
Federal	65.3	66.7	75.0	12.4
Defense	49.9	49.9	56.5	13.2
Other	15.4	16.8	18.5	10.1
State and local	63.1	68.2	73.5	7.8
Personal income	495.0	530.7	564.0	6.3
Less personal taxes	59.2	65.4	70.0	7.0
Federal	48.6	53.8	57.5	6.9
State	10.6	11.6	12.5	7.8
Disposable income	435.8	465.3	494.0	6.2
Savings	26.3	25.3	27.0	6.7
Corporate profits before taxes	64.5	73.0	77.0	5.5
Consumer price index	108.1	109.8	112.5	2.4
Wholesale price index	100.5	102.5	105.5	2.9
Index of industrial production	132.3	142.9	152.5	6.7
Labor force (000)	74,233	75,635	76,908	1.7
Employed (000)	70,357	72,179	73,550	1.9
Automobile production (000)	7,745.0	9,366.0	9,340.0	–
California Data				
Personal income	$56.122	$59.700	$63.800	6.9
Wages and salaries	38.146	40.550	43.550	7.4
Other labor income	1.445	1.620	1.800	11.1
Proprietors' income	5.910	6.190	6.400	3.4
Property income	7.604	8.090	8.600	6.3
Transfer payments	4.647	5.000	5.600	12.0
Less: Personal contributions for social insurance	1.630	1.750	2.150	22.8
Personal taxes:				
Federal income tax	5.985	6.550	7.060	7.8
State income tax	.390	.425	.464	9.2
Disposable income [a]	49.747	52.725	56.276	6.7
Taxable corporate profits	5.64	6.05	6.45	6.6
Labor force (000)	7,062	7,262	7,470	2.9
Employed (000)	6,640	6,833	7,060	3.3
Number of housing starts (000)	247.2	175.0	180.0	2.8
New car sales (000)	842	881	900	2.2
Taxable sales	$30.265	$32.065	$34.520	7.6
Consumer price index [b]	110.3	112.6	115.0	2.1

[a] Disposable income of California residents represents personal income less federal and state personal income taxes. Other personal tax and nontax payments have not been deducted.

[b] Index for California is computed by the California Department of Industrial Relations, Division of Labor Statistics and Research.

Source: National data for 1964 and 1965 from reports of the U.S. Department of Commerce; estimates of national data for 1966, estimates of California personal income, personal taxes, disposable income, etc., are based upon studies by the Financial and Population Research Section, Budget Division, California Department of Finance.

Gross National Product

The revenue estimates presented in this budget are specifically tied to a California personal income estimate of $63.8 billion for the current year. This was developed on the assumption that gross national product will total $720 billion in 1966. This level represents a growth of $44.4 billion, or 6.6 percent, above last year and is only slightly lower than the $46.9 billion gain in 1965.

The effect of escalating the Vietnam war is probably the most important consideration in evaluating the economic outlook. Estimates of federal defense spending vary widely, with low range expenditures suggesting economic activity somewhat below the levels indicated by the table above. High range expenditures, on the other hand, suggest pressures so great that rapid price rises would appear inevitable and would be followed by, or countered by, powerful anti-inflationary action. A middle ground is taken in the foregoing projection with $6.6 billion in additional defense expenditures assumed for 1966.

Other federal expenditures have been projected at slightly higher growth rates than occurred in 1965. The full effect of last year's salary increase will be reflected and expenditures for Great Society programs will rise, although the latter may be held in check by the needs of the war effort. State and local expenditures have been projected with normal growth plus a slight increase for contributions to the new social programs.

Expansion of business investments is likely to continue through 1966. Capacity utilization rates have been increasing. With greater government purchases and growing civilian demand, the need for new plant and equipment will sustain a level of business investment even higher than the record of last year. Residential construction is not expected to contribute to economic growth in the immediate future.

As indicated above, graduated withholding rates will tend to hold spending somewhat below the level otherwise expected, since approximately $850 million more will be collected from wage and salary workers under the proposed structure in 1966. In view of these considerations personal spending has been projected at $453 billion, $24.5 billion greater than last year. Most of the increase is expected to occur in services and in purchases of nondurable goods.

Personal Income

The increase in business investment and the growth in government purchases should have a material effect on employment opportunities. These projections assume average employment of 73,550,000 for the year, 1.4 million more people than were working in 1965. Wage and salary income, including military payrolls, will aggregate $383 billion—about $25.6 billion more than was received last year. Other labor income, chiefly employer contributions to employee private pension and welfare funds has been estimated at $19.5 billion.

Improvement in business and professional income has been anticipated, but only a slight gain in net farm income is expected. Higher interest rates and the

increase in corporate profits should raise property income substantially.

Transfer payments will show the full effect of the increase in social security benefits which occurred in the third quarter of last year, and the further increase in 1966 to cover the medicare and supplementary hospital insnrance programs. Some offset can be expected in unemployment insurance benefits under the lower unemployment levels for the year, but the net growth in transfer payments is estimated to approach $5 billion.

Allowing for increased contributions for social insurance, aggregate personal income has been forecast at $564 billion, $33.3 billion higher than 1965. After deducting personal taxes, disposable income of $494 billion will finance personal outlays of $467 billion and leave savings of $27 billion—about the 1965 rate.

Higher prices are expected with consumer prices rising 2.4 percent, compared with last year's gain of 1.6 percent, and wholesale prices moving np about 2.9 percent, compared to the 2 percent gain in 1965.

Corporate profits have been forecast to set a new record of $77 billion, 5.5 percent over 1965 but a percentage gain snbstantially below the 13.1 percent rise last year and the 11 percent in 1964.

California Situation

California's popnlation is expected to total 19,324,000 by July 1, 1966, np 568,000 (3.0%) from midyear 1965. It is anticipated that employment will average 7,060,000 this year, 218,000 more than were working last year. This gain is greater than the anticipated growth in the labor force; consequently unemployment is expected to drop to 410,000.

The California economy is closely tied to national activity and will share in the national gains. Vietnam procurement will not greatly affect outpnt but the staging operations and government employment will provide stimulus to the state's economy. Aircraft production will continue to rise, providing further support for this most important industry.

Residential construction, which fell 30 percent in 1965, is expected to stabilize and show slight gains late in the year. A substantial backlog of unsold honsing exists in the state, particularly in the southern area, and little improvement can be expected nntil this has been worked off. Nonresidential construction, on the other hand, registered a substantial gain in 1965 and the same or greater increases can be expected to develop in the current year. Because of the preponderance of residential building, only a moderate overall improvement can be expected in the construction industry, however.

California personal income in 1965 was adversely affected by several factors—the cutback in defense employment (reversed in March), the drop in residential construction and slnggish retail trade. Although incomes in this state increased by $3.6 billion to reach a record of $59.7 billion, California's share of the national total declined slightly.

However, the continuing improvement in the economy this year, coupled with further gains in aerospace industries and a stable level of construction is expected to carry the personal income of California residents to another new record of $63.8 billion during 1966. Corporate profits during 1965 are estimated at $6.05 billion, up 7.3 percent from last year.

Additional details on these and other basic state economic factors used in preparing the budget revenue forecasts are given in Table 3.

GENERAL FUND REVENUE

Almost seven-tenths of aggregate state revenne will accrue to the General Fund. This inclndes collections from such levies as those on sales of tangible personal property, personal income, corporate profits, and insnrance premiums. For the most part these taxes are geared directly to business conditions. Hence, the estimates of revenue from each source flow directly from the economic assumptions explained above. The influence of these economic factors upon the varions tax bases and the methods used in preparing the budget revenue estimates are outlined below.

Sales Tax—$1,101,500,000

A 3 percent tax is imposed upon the sale of tangible personal property for final consumption, whether by persons or by business establishments. The close relationship of taxable sales to disposable income and business activity has been demonstrated over a period of many years. In 1964, for example, both income and taxable sales increased by 8.5 percent. Again, in 1965 income rose 6 percent while taxable sales increased 5.9 percent.

Collections in 1965 reflected the strong motor vehicle market and the high level of business investment. Data for the year show a 6 percent gain in sales by new motor vehicle dealers, an 11.1 percent increase in sales of mannfacturers and wholesalers and an 8.3 percent rise in department and specialty store sales. The automobile group other than new car dealers rose only 2.3 percent, reflecting the softening in used car prices. Sales by eating and drinking places advanced by 5.7 percent, and apparel sales increased 1 percent. The reduction in housing starts was largely responsible for a 1.1 percent decline in sales of building materials and only a moderate 2.9 percent rise in household goods and home furnishings.

The business outlook summarized above indicates taxable sales for 1966 of $34.52 billion, up 7.7 percent over 1965. The estimate for 1967 is $36.65 billion, a 6.2 percent rise.* Details of these estimates are shown in Table 4.

Three different methods were used to estimate sales tax revenue. One was based on a detailed analysis of per capita sales in constant dollars for 50 different types of bnsinesses. Another method involved classifying taxable sales into several homogeneous groups. Taxable sales in each of these gronps was related to an appropriate economic indicator, such as new car purchases, housing starts or personal income. A re-

* With respect to 1967, only taxable sales in the first half will influence revenues in the 1966–67 fiscal year.

gression equation was computed for each group, and the sales estimates were derived by use of the appropriate indicators in the regression formulas. The third method involved the use of a multiple regression equation containing 3 independent variables, 1 to account for personal consumption expenditures, another related business spending and a trend variable.†

Table 4
TAXABLE TRANSACTIONS IN CALIFORNIA
(In millions)

Group	1965	1966	Percent change over 1965	1967	Percent change over 1966
Motor vehicle	$5,661	$6,000	6.0	$6,300	5.0
Building materials and household	5,112	5,250	2.7	5,400	2.9
Department, apparel and specialty	8,076	8,800	9.0	9,400	6.8
Grocery, restaurants, and liquor	5,047	5,500	9.0	5,900	7.3
Business service	1,135	1,200	5.7	1,250	4.2
Manufacturing and wholesaling	7,034	7,770	10.5	8,400	8.1
Totals	$32,065	$34,520	7.7	$36,650	6.2

Estimated collections for 1965–66 and 1966–67 reflect legislation enacted during the 1965 First Extraordinary Session, which placed taxpayers with sales of more than $17,000 per month on a monthly payment basis, and extended the sales tax to certain types of leases and to "occasional" sales of autos, boats and airplanes. In addition, tax collections from other large taxpayers were accelerated by administrative ruling of the Board of Equalization. The effect of accelerating collections and expanding the tax base is estimated to increase revenue during 1965–66 by $96,600,000 and by almost $28,000,000 in 1966–67.

Including receipts attributable to audit operations of the Board of Equalization, the sales and use tax is estimated to return $1,101,500,000 during 1966–67, compared with $1,098,500,000 in 1965–66 and actual receipts of $939,649,000 for 1964–65.

Personal Income Tax—$628,000,000

Income tax receipts during the current and budget years will be determined by the amount of personal income earned in 1965 and 1966. The Department of Finance has prepared an estimate of California personal income in 1965 and has projected the amounts for 1966 on the basis of the economic outlook. Details of the data underlying the income tax estimates are shown below:

Table 5
CALIFORNIA PERSONAL INCOME
(In millions)

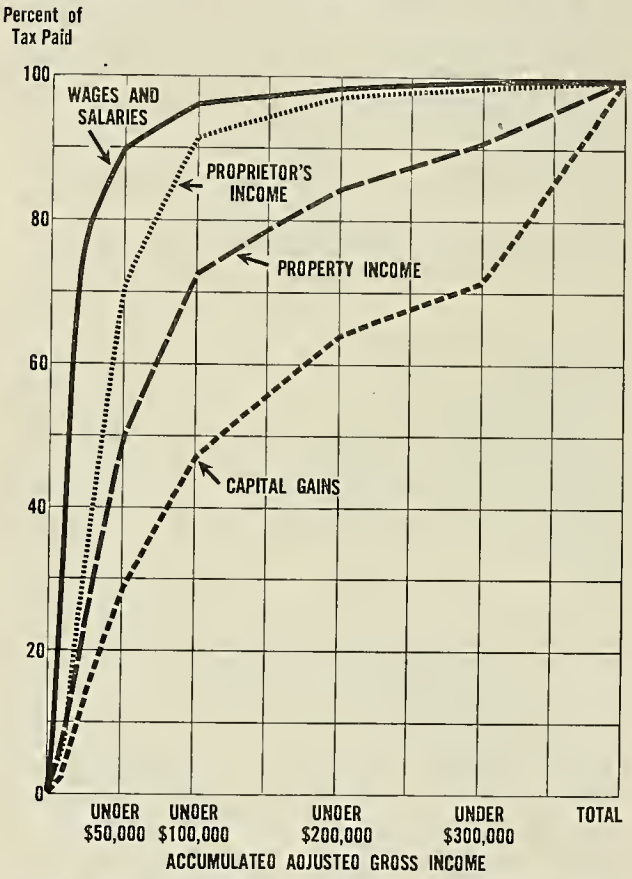
Source	1964	1965	1966
Wages and salaries	$38,146	$40,550	$43,550
Proprietors' income	5,910	6,190	6,400
Property income	7,604	8,090	8,600
Other income	6,092	6,620	7,400
Less: Social insurance contributions	1,630	1,750	2,150
Totals	$56,122	$59,700	$63,800

Sources: U.S. Department of Commerce, 1964; California Department of Finance, 1965 and 1966.

† The equation is:
$Y + -14.983 + 0.34324X_1 + 0.17784X_2 + 1.19941X_3$
Where Y is taxable sales, X_1 is California disposable personal income, X_2 represents gross fixed investment in the nation and X_3 is the ratio of California to national personal income.

Different types of income are concentrated in different income brackets, and thus are subject to different average tax rates. Consequently, both the type of income and the amount of each type are important considerations in preparing estimates of receipts from this tax. Most of the wage and salary income is concentrated in the lower and middle brackets, while most of the proprietorship and property income is received by those in the middle and higher brackets. The following chart illustrates these differences in income distribution.

CHART 4
PERCENT OF TAX PAID BY TYPE OF TAXPAYER



MORE THAN 90 PERCENT OF THE TAX ATTRIBUTABLE TO WAGES AND SALARIES IS PAID BY PERSONS WITH INCOMES UNDER $50,000, WHILE LESS THAN 50 PERCENT OF THE TAX ON PROPERTY INCOME AND ONLY 28 PERCENT OF THE TAX FROM CAPITAL GAINS COME FROM THE SAME INCOME GROUP.

Regression equations based on these relationships are used to estimate 88 percent of the tax liability. The remaining 12 percent is generated by net capital gains * and miscellaneous income. As more than half of capital gains is derived from the sale of stock, a relationship between tax receipts from this source and the dollar volume of stock market activity has been computed. The estimate of tax from miscellaneous income—primarily annuities and alimony—is based on past trends.

On the basis of these computations, revenue from the personal income tax during the current year is estimated at $446,000,000, compared with actual re-

* Not considered "personal income" within the Department of Commerce definition.

ceipts of $410,109,000 in 1964–65. Revenue in 1966–67 is estimated at $628,000,000, with $143,000,000 of this total attributable to the proposal eqnalizing tax credits to all taxpayers.

Bank and Corporation Tax—$457,000,000

Corporate profits attributable to California operations during 1965, 1966, and 1967 form the base for bank and corporation tax receipts dne in the current and budget years. Earnings for 1965 have been estimated from replies to a questionnaire sent to a stratified sample of 900 corporations in 63 industry classifications. As in previous years response to the questionnaire has been excellent, with answers from more than 90 percent of the companies. Results of the sample indicate earnings of $6,050,000,000 for 1965, 7.3 percent above the 1964 fignre.

A summary of estimated profits by major industry for 1964 and 1965 is shown in the following table:

Table 6
ESTIMATED CORPORATE PROFITS BY MAJOR INDUSTRY, CALIFORNIA, 1964 AND 1965
(In millions)

	1964	*1965*	*Percent Change*
Agriculture	$82	$84	2.4
Mining and oil production	266	253	–4.9
Construction	171	177	3.5
Manufacturing	2,043	2,296	12.4
Trade	931	991	6.4
Financials subject to bank tax	495	500	1.0
Real estate and other financials	391	384	–1.8
Utilities	962	1,050	9.1
Services	296	311	5.1
Miscellaneons	3	4	33.3
Totals	$5,640	$6,050	7.3

In projecting the 1966 and 1967 corporate tax base separate estimates were made of profits of (1) financial corporations subject to the bank tax, (2) corporations regulated by the Pnblic Utilities Commission, and (3) all other corporations. It is anticipated that increased interest charges will have a favorable effect on earnings in the financial sector in 1966 and 1967. The income of pnblic utilities, which has risen by about $90 million in each of the past 2 years, is expected to grow by the same amonnt in each of the next 2 years as a resnlt of continued population growth and increased user demand. The estimate of income of other corporations is based upon an analysis of the relationship between the rate of change in California profits and the rate of change in United States profits. In total, corporate profits in California have exhibited a more stable rate of growth than those of the nation. Consistent with this experience, California profits are projected at $6.45 billion for 1966, a growth of 6.6 percent, and $6.65 billion for 1967.

Under legislation enacted in 1963, an estimate of taxes on current income is dne 5 months and 15 days after the beginning of the corporation's fiscal year. In the first year (1965), corporations were required to pay 20 percent of the estimated tax on this income. In June 1966 the payment will increase to 35 percent, and beginning in June 1967, half of the estimated tax mnst be remitted with the advance declaration. The accelerated payments increased receipts in 1964–65 by $41,993,000 and are expected to increase revenne in 1965–66 by $53,400,000, and in 1966–67 by $51,800,000.

Including collections under the audit program of the Franchise Tax Board, receipts from the bank and corporation tax dnring 1966–67 are expected to total $457,000,000, compared with $432,000,000 in the current fiscal year and actnal receipts of $416,247,000 in 1964–65.

Inheritance and Gift Taxes—$132,000,000

The volume of inheritance and gift tax receipts is primarily determined by the nnmber and size of bequests and gifts. These transfers are related to population, personal income, property values and the pattern of bnsiness conditions. However, variables such as the lag between transfer and actual payment of the tax, and the nnpredictable number of particularly large estates and gifts make accurate forecasting of these receipts difficult. In addition, exemptions are scaled down with the remoteness of relationship between the beneficiary and the decedent or donor, and the tax rates increase substantially as the value of transfers rise and as relationships recede.

Receipts from the inheritance tax have been estimated at $112,000,000 for the current year and at $123,000,000 in 1966–67. Actnal receipts in 1964–65 amonnted to $104,570,000. Gift tax revenne of $9,894,000 in 1964–65 was unusually high due to receipts from 2 particularly large gifts. Another sizable gift and the growing tendency toward better estate planning point toward revenues of $9,000,000 for the current year. Revenue in 1966–67 is also estimated at $9,000,000, assuming a retnrn to a normal pattern of growth.

Insurance Tax—$111,100,000

The tax on insurance companies is an excise on premiums paid in California, and is in lieu of all other state and local taxes except those on real estate and motor vehicles. In general, the tax is imposed at 2.33 percent, though ocean marine insurance and certain annnities are subject to different tax rates.

Estimates of premiums written during 1965 and 1966 were based on the replies to a questionnaire sent to a sample of 73 companies writing two-thirds of all taxable insnrance in the state. The companies were requested to furnish data on percentage changes in premiums for major lines of insurance last year and their estimates of volnme in 1966. The amount of 1967 preminms was estimated on the basis of past trends. Appropriate allowances for dividends paid or credited to policyholders yielded estimated tax bases of $4.51 billion for 1965, $4.89 billion for 1966 and $5.27 billion for 1967.

With adjustments for the deduction of property taxes paid on an insurer's principal office in California and for the effect of the qnarterly remittance schedule, these volumes indicate total tax collections of $111,100,000 in fiscal 1967, compared with $102,600,000 for the current year and actnal receipts of $95,199,000 in 1964–65.

Alcoholic Beverages—$89,400,000

State tax revenues from alcoholic beverages are of two types: (1) excises on the distribution of distilled spirits, beer and wine and (2) license fees collected from manufacturers, distributors and retailers engaged in this business. Estimates of per capita consumption of alcoholic beverages are based on trend analysis and correlations with changing levels of personal income. Consumption of distilled spirits rose from 3.32 gallons per adult civilian in 1964 to 3.38 gallons in 1965. A sharper increase is anticipated for 1966.

Beer consumption in 1965 fell to 25.07 gallons per adult, from the 25.56 gallons consumed in 1964. Per capita consumption of dry and sparkling wines maintained the uptrend of recent years, while the use of sweet wine continued to decline.

Total distributions of alcoholic beverages by type are shown below:

	Millions of gallons			
	1964	*1965*	*1966*	*1967*
Distilled spirits	35.7	37.3	40.0	42.5
Beer	274.2	277.0	291.0	306.0
Sweet wine	16.6	16.5	16.5	16.4
Dry wine	21.3	23.0	24.7	26.8
Sparkling wine	1.5	1.7	1.8	2.0

Application of the relevant rates of tax, and adjustment for fiscal year reporting, produces the following estimates (1964–65 actual):

Table 7

ALCOHOLIC BEVERAGE TAXES AND FEES

	In thousands		
Excise	*1964–65*	*1965–66*	*1966–67*
Distilled spirits	$53,915	$57,400	$61,300
Beer	–	11,120	11,870
Sweet wine	12,422 *	330	330
Dry wine	–	240	260
Sparkling wine	–	510	540
Total, Excise	$66,337	$69,600	$74,300
Liquor license fees	14,596	14,900	14,100
Total, Taxes and Fees	$80,933	$84,500	$89,400
General Fund	*69,812*	*73,000*	*77,650*
Alcoholic Beverage Control Fund	*11,121*	*11,500*	*11,750*

* Cannot be separated due to credits and other adjustments.

Revenue from liquor license fees accrues to the General Fund and the Alcohol Beverage Control Fund. The General Fund receives all fees for new licenses, service charges and special fees used to enforce fair trade regulations. In addition, 10 percent of all other fees (primarily annual renewals) is transferred to the General Fund with the remaining 90 percent going to the Alcohol Beverage Control Fund for subsequent apportionment to cities and counties. Although total license fee receipts are expected to increase, the General Fund portion of fees is on a declining trend due to a smaller number of new licenses offered for sale.

Cigarette Tax—$77,200,000

Per capita cigarette consumption in 1965 was substantially the same as in 1964, the year of the Surgeon General's report. Cigarette consumption for the current and following years is estimated on the basis of consumption trend analysis since inception of the tax. Per capita purchases of cigarettes for 1966 is estimated at 137 packages, a decrease of 1 package from 1965. Application of the 3-cent-per-package tax rate and the 2 percent distribution discount produces revenue estimates of $77,200,000 for the budget year and $75,500,000 for the current year compared to $74,477,000 for 1964–65.

Horse Racing—$50,535,000

State revenue from horse racing comes mainly from the tax on the volume of betting at the several race tracks. This tax is graduated from 5 percent of the first $10 million in the parimutuel pool of each meet to 8 percent of amounts over $125 million. The volume of betting varies considerably among the meets and from season to season. Weather conditions influence track attendance and, consequently, wagering. In general, however, wagering volume tends to follow personal income, and this relationship has been used in estimating horse racing revenue from the various tracks. The aggregate of parimutuel pools at all tracks in fiscal 1967 is estimated at $657,500,000, against $635,025,000 in the present fiscal year and $618,865,000 in 1964–65.

Other revenue from horse racing is derived from "breakage" (the cents not paid to winning ticket holders), unclaimed parimutuel tickets, license fees, fines and penalties. The following table shows total receipts from horse racing and the distribution of receipts among the various funds. After appropriations for the support of fairs, agricultural associations, and similar items, the excess revenue in the Fair and Exposition Fund is transferred to the General Fund. The table shows the final distribution of receipts after transfers.

Table 8

SOURCES AND DISTRIBUTION
HORSE RACING REVENUE

	(In thousands)		
Sources:	*1964–65*	*1965–66*	*1966–67*
Tax on parimutuel pools	$40,927	$42,087	$43,597
Breakage	6,261	6,306	6,547
Unclaimed parimutuel tickets	315	320	332
Licenses, fines and penalties	57	59	59
Totals	$47,560	$48,772	$50,535
Distribution:			
General Fund	*38,138*	*40,278*	*41,552*
Fair and Exposition Fund	*8,672*	*7,744*	*8,233*
Wildlife Restoration Fund	*750*	*750*	*750*

Private Car Tax—$2,375,000

Under this levy, railroad cars owned by companies other than railroads are taxed by the state rather than by the various local governments. Assessed valuations are determined by the State Board of Equalization and the average statewide property tax rate during the preceding fiscal year is applied against the assessment roll.

Based upon assessments of $30,243,000 and on a statewide rate of $7.29 per $100 of assessed value, current year collections will total $2,205,000. Assum-

ing moderate increases in tax rates and in assessed valnation, receipts from this sonrce have been projected at $2,375,000 for 1966–67. Actual collections dnring 1964–65 totaled $2,017,000.

Nontax Receipts—$110,483,000

A snbstantial volnme of revenue accrues to the General Fnnd from sources other than tax levies. These include bonus payments and royalties on the production of oil and gas from state-owned lands; interest on investments and bank accounts; charges for treatment and services at state hospitals, if the patient has private means or is a connty responsibility; charges to connties for snpport of Youth Anthority wards; and such other items as sale of property and penalty payments for traffic violations. Pay patients charges inclnde $13,500,000 attributable to Chapter 4, Second Extraordinary Session of 1965, relating to medical aid payments.

Miscellaneons receipts will total $110,483,000 in the budget year, an increase of $11,991,000 over the corresponding figure for the current year. The total is made up of 4 categories: pay patients and county board charges at hospitals and correctional schools—$38.5 million; interest income—$26.5 million; oil and gas royalties—$18.1 million; and all other, chiefly traffic penalties, sale of property and charges for certain services in connection with business incorporations and issuance of stock—$27.4 million. Principal amounts making np the total are shown in Schedule 2.

SPECIAL FUND REVENUE

Provisions of the State Constitntion, codes and statutes restrict the use of certain revenue for specified purposes, and under California's financial procednre, these receipts are separately accounted in various special funds. In general they comprise 3 categories of income: (1) receipts from broad tax levies which are allocated to specific functions; (2) charges for special services to specific gronps; and (3) certain rentals, royalties and other receipts earmarked for particular purposes. Motor vehicle taxes and fees illnstrate the first of these classes. License fees for the regnlation of business and professions are typical of the second. Oil and gas royalties, assigned in part to water resource development and school support, are examples of the third. Interest earned by the investment of special fnnd money accrnes to the fnnd for which the investments are held.

Motor vehicle taxes and fees account for 87.9 percent of all special fund revenue. Principal sources of this income are the levies npon motor vehicle fuels, registration and weight fees, transportation tax, and vehicle license fees. The latter are levied in lien of local taxes on this type of personal property. Dnring the 1966–67 fiscal year, $991,775,000 will be derived from motor vehicle taxes. Approximately $444 million of this revenue will be retnrned to local governments. The remainder will be available for various activities related to state highways and services to vehicle owners.

Regulatory fees and charges for special services to industry, business and the professions constitute the second largest source of special fnnd income. Receipts from these sources together with hunting and fishing licenses and liquor licenses will amount to $52.5 million in the coming fiscal year. Rents, royalties and other miscellaneons receipts during 1966–67 are estimated to total $66.3 million. Interest from investments held for the varions special fnnds are expected to reach $6,752,000.

Motor Vehicle Fuel Taxes—$558,175,000

The forecast of revenne from the gasoline tax is based upon estimates of the number of vehicles in operation and the average consnmption per vehicle. Including exempt vehicles, total registrations are expected to reach 11,850,000 by year-end 1966, up more than 5 percent from the previous December 31. Average consnmption per vehicle has remained stable for the last 5 years and is expected to continne at 632 gallons per vehicle.

Total consnmption will be almost 7.5 billion gallons in 1966–67 and, at 7 cents per gallon, will result in an estimated $526,775,000 of revenue, compared with $524,080,000 in 1965–66, and actual receipts of $480,350,000 in 1964–65.

The emergency tax imposed by Chapter 27, Statntes of 1965, which raised the rate from 7 to 8 cents per gallon for the period April throngh August, added almost $7 million to 1964–65 revenue and over $23 million during the current year.

Diesel fuel consumption is expected to increase in line with economic activity. Consnmption is estimated to reach 436,000,000 gallons in 1966–67, compared with 412,000,000 gallons during the current year and actual consnmption of 385,708,000 in 1964–65. The use of liquefied petroleum gas is expected to decline despite the lower rate of 6 cents per gallon effective January 1, 1966. Revenue from diesel fnel and liquefied petrolenm gas is estimated at $31,400,000.

Motor Vehicle Fees—$416,000,000

Registration, weight and vehicle license fees contribute the bnlk of revenue from this source, with various fees incidental to vehicle operation making up the balance. Sales of new antos, trucks, trailers, and motorcycles during 1966 are expected to total a little more than 1.2 million units. Allowing for scrappage, and for vehicles entering and leaving the state, total fee-paid vehicle registrations at year-end 1966 are estimated at 11,700,000.

Legislation enacted in 1965 doubles the nniformed strength of the California Highway Patrol by December 31, 1968. To finance this expenditure, the basic registration fee was raised by $1 in 1966, $2 in 1967 and $3 in 1968 and thereafter. This is expected to increase revenne by $11 million for the current year and $24 million for the bndget year. In the aggregate, receipts from registration, weight fees, drivers' licenses and other charges, which amounted to $177,333,000 in 1964–65 are estimated at $197,000.000 in 1965–66 and $218,000,000 in the budget year.

The determinants of revenne from the vehicle license fee are the number of vehicles, their age and

the original market value. New car sales during 1966 are expected to be above the 1965 record, average new car prices are expected to increase following the trend of the last few years. Receipts from this source, net of administrative expense, are apportioned to local governments. The 1964–65 actuals and estimates for subsequent years are shown below:

Table 9
MOTOR VEHICLE REVENUE
(In millions)

	1964–65	*1965–66*	*1966–67*
Vehicle license fees	$176.3	$188.0	$198.0
Registration and weight fees	161.6	179.4	199.6
Drivers' license fees	9.9	10.7	10.6
Other	5.8	6.9	7.8
Total	$353.6	$385.0	$416.0

Transportation Tax—$17,600,000

This is a tax of 1.5 percent on the gross receipts from the operation of motor vehicles used in the transportation of persons or property for hire outside city limits. Most of the vehicles subject to this tax use diesel fuel, and a regression equation relating gross receipts to diesel fuel consumption was used as the basis for the current and subsequent fiscal year estimates. On this basis revenue during the budget year is estimated at $17,600,000, versus $16,800,000 for the current year and actual receipts of $16,030,000 in 1964–65.

Other Special Fund Revenue—$115,298,000

For the most part, nontax revenue accruing to special funds represents regulatory fees, self-imposed by businesses and professions, or charges for special services to designated groups, and royalties from oil and gas production on state-owned land.

For the budget year, these revenues will total an estimated $115,298,000, up slightly from $114,560,000 in the current year. Actual revenue in 1964–65 was $117,842,000.

Table 10
SUMMARY OF STATE POPULATION, INCOME OF CALIFORNIA RESIDENTS, AND STATE TAX COLLECTIONS
Excluding Departmental, Interest and Miscellaneous Revenue

	Estimated				State Tax Collections			Taxes per Capita			Taxes per $100 of Personal Income		
Year	Population July 1st (Thousands)	Personal Income (Millions)	Income per Capita	Fiscal Year	General Fund (Thousands)	Special Funds (Thousands)	Total (Thousands)	General Fund	Special Funds	Total	General Fund	Special Funds	Total
1940	6,950	$5,839	$840	1940–41	$195,796	$84,553	$280,349	$27.60	$11.92	$39.52	$3.35	$1.45	$4.80
1941*	7,049	7,145	1,014	1941–42	238,440	85,768	324,208	33.24	11.96	45.20	3.34	1.20	4.54
1942*	7,297	9,374	1,285	1942–43	274,575	71,906	346,481	36.94	9.67	46.61	2.93	.77	3.70
1943*	7,570	12,033	1,590	1943–44	301,506	72,282	373,788	38.53	9.24	47.77	2.51	.60	3.11
1944*	8,083	13,171	1,629	1944–45	314,237	80,238	394,475	37.84	9.66	47.50	2.39	.61	3.00
1945*	8,523	13,513	1,585	1945–46	355,734	113,392	469,126	37.63	12.00	49.63	2.63	.84	3.47
1946	9,559	16,084	1,683	1946–47	432,859	137,751	570,610	44.64	14.21	58.85	2.69	.86	3.55
1947	9,832	16,637	1,692	1947–48	457,297	228,708	686,005	45.97	22.99	68.96	2.75	1.37	4.12
1948	10,064	17,610	1,750	1948–49	485,368	249,344	734,712	47.58	24.45	72.03	2.76	1.41	4.17
1949	10,337	17,835	1,725	1949–50	524,428	268,177	792,605	49.99	25.57	75.56	2.94	1.50	4.44
1950	10,643	19,627	1,844	1950–51	647,992	295,542	943,534	59.52	27.15	86.67	3.30	1.51	4.81
1951	11,130	22,726	2,042	1951–52	709,245	322,699	1,031,944	62.30	28.35	90.65	3.12	1.42	4.54
1952	11,638	25,089	2,156	1952–53	754,048	346,480	1,100,528	63.53	29.19	92.72	3.01	1.38	4.39
1953	12,101	26,642	2,202	1953–54	772,250	442,538	1,214,788	62.74	35.95	98.69	2.90	1.66	4.56
1954	12,517	27,432	2,192	1954–55	831,899	467,814	1,299,713	65.19	36.66	101.85	3.03	1.71	4.74
1955	13,004	30,224	2,324	1955–56	972,828	524,765	1,497,593	73.18	39.48	112.66	3.22	1.73	4.95
1956	13,581	33,273	2,450	1956–57	1,042,773	554,713	1,597,486	75.13	39.97	115.10	3.13	1.67	4.80
1957	14,177	35,582	2,510	1957–58	1,069,809	572,490	1,642,299	73.99	39.59	113.58	3.01	1.61	4.62
1958	14,741	37,241	2,526	1958–59	1,170,890	594,587	1,765,477	77.98	39.60	117.58	3.14	1.60	4.74
1959	15,288	40,960	2,679	1959–60	1,443,296	633,492	2,076,788	92.66	40.67	133.33	3.52	1.55	5.07
1960	15,863	43,183	2,722	1960–61	1,537,347	656,815	2,194,162	95.14	40.65	135.79	3.56	1.52	5.08
1961	16,453	45,808	2,784	1961–62	1,645,300	669,267	2,314,567	98.24	39.96	138.20	3.59	1.46	5.05
1962	17,044	49,053	2,878	1962–63	1,791,038	711,185	2,502,223	103.19	40.97	144.16	3.65	1.45	5.10
1963	17,670	52,317	2,961	1963–64	2,057,962	813,937	2,871,900	114.71	45.37	160.08	3.93	1.56	5.49
1964	18,209	56,122	3,082	1964–65	2,161,157	931,958	3,093,115	116.93	50.43	167.36	3.85	1.66	5.51
1965	18,756	59,700	3,183	1965–66†	2,391,083	957,694	3,348,777	125.58	50.30	175.88	4.00	1.61	5.61
1966	19,324	63,800	3,302	1966–67†	2,628,377	1,012,508	3,640,885	133.99	51.62	185.61	4.12	1.59	5.71

* Amounts shown during period of World War II represent civilian population, estimated income of civilians, and per capita civilian income.

† Estimated.

Population data, 1940 through 1949, are based on United States Census Bureau estimates; population, 1950 to date, estimated by the State Department of Finance.

Personal income, 1940 through 1964, from estimates by the Office of Business Economics, United States Department of Commerce. Reported totals for 1941 through 1945 have been adjusted to exclude income of armed forces personnel. Data for 1965 and 1966 are estimates by the State Department of Finance.

Income per capita computed from population and income data shown. Amounts differ somewhat from U.S. Department of Commerce estimates.

Taxes per capita computed on the basis of population January 1st, the midpoint of the fiscal year.

Table 11

COMPARATIVE YIELD OF STATE TAXES, 1945-46 THROUGH 1966-67

(In Thousands)

Year Ending June 30	GENERAL FUND											SPECIAL FUNDS		
	Sales and Use	Personal Income	Bank and Corporation [1]	Cigarette	Inheritance and Gift	Insurance	Distilled Spirits	Horse Racing [2]	Liquor License Fees [3]	Beer and Wine	Private Car	Motor Vehicle Fuel [4]	Motor Vehicle Fees [5]	Transportation Tax [6]
1946	$180,461	$45,009	$55,863	–	$14,514	$13,763	$18,191	$22,758	$8,980	$3,772	$571	$61,075	$37,366	$6,801
1947	241,507	51,219	59,151	–	20,079	14,697	16,212	19,062	8,902	3,690	580	75,528	51,884	8,077
1948	275,566	50,185	69,182	–	20,465	17,609	12,399	20,177	8,009	3,474	717	120,126	80,210	7,887
1949	294,565	50,142	75,798	–	21,797	20,557	13,815	17,292	8,598	3,749	775	128,397	91,241	7,953
1950	325,493	60,504	74,806	–	19,916	23,285	12,755	14,822	8,032	3,621	911	138,350	101,732	8,378
1951	399,243	75,891	98,245	–	23,671	23,447	16,094	16,368	8,106	3,796	891	149,907	117,680	10,194
1952	417,693	90,914	120,127	–	29,165	25,732	14,430	20,042	7,828	3,730	1,089	162,076	127,809	11,312
1953	460,110	94,551	119,127	–	23,474	29,171	15,615	20,960	8,687	4,069	1,127	170,871	139,406	13,359
1954	465,051	96,169	125,026	–	24,112	34,325	15,546	22,552	8,586	3,989	1,222	234,395	170,519	13,337
1955	492,917	106,738	133,661	–	30,250	38,501	16,108	22,877	9,213	4,172	1,301	244,588	185,505	13,921
1956	564,225	127,816	157,088	–	36,334	39,104	33,970	24,930	9,638	4,373	1,330	273,104	209,817	15,956
1957	600,102	143,290	167,431	–	38,540	42,529	34,902	26,695	10,616	4,361	1,424	291,382	219,266	16,994
1958	605,238	149,269	173,599	–	45,331	46,037	33,963	25,948	11,297	4,595	1,590	302,671	227,153	15,609
1959	631,514	160,553	174,003	–	44,943	105,832	36,685	28,087	11,962	5,129	1,712	317,728	236,177	11,203
1960	709,648	246,585	240,735	$64,805	47,189	61,530	40,369	36,288	12,379	10,016	1,613	336,809	256,303	12,543
1961	711,702	269,103	272,718	66,024	76,803	66,745	41,274	37,260	13,044	9,704	1,668	350,819	264,842	12,511
1962	749,523	299,034	290,870	66,054	76,012	71,699	45,418	38,311	13,533	10,495	1,753	363,796	274,906	13,223
1963	813,465	322,012	311,251	70,194	92,432	77,970	48,152	41,663	13,939	10,659	1,808	386,215	298,356	14,106
1964	876,944	392,341	405,431	71,822	102,195	107,200	50,145	43,442	14,274	11,299	1,846	450,195	329,584	15,183
1965	939,649	410,109	416,247	74,477	114,464	95,199	53,915	47,560	14,596	12,422	2,017	542,822	353,607	16,030
1966	1,098,500	446,000	432,000	75,500	121,000	102,600	57,400	48,772	14,900	12,200	2,205	533,800	385,000	16,800
1967	1,101,500	628,000	* 457,000	77,200	132,000	111,100	61,300	50,535	15,100	13,000	2,375	555,400	416,000	17,600

1 Includes the corporation income tax as well as amounts credited to the postwar employment reserve in 1945–46.
2 Includes special fund share of horse racing revenue.
3 Includes special fund share of revenue from liquor license fees.
4 Includes motor vehicle fuel tax (gasoline), use fuel tax (diesel and liquefied petroleum gas), and brokers and producers license fees.
5 Comprises registration and weight fees, motor vehicle license fees (in lieu) and other fees. Includes the General Fund share of motor vehicle license fees through 1964–65.
6 Motor vehicle transportation tax and permit fees. All revenues from these sources accrued to the General Fund in 1945–46, 1946–47 and in the early months of 1947–48.
* Estimate for 1966–67 reflect the recommended change to tax credits.
NOTE: Changes in rates and other features of these taxes have affected their revenue yields; hence the data shown are not strictly comparable.

Table 12

OUTLINE OF STATE TAX SYSTEM AS OF JANUARY 1, 1966

Major Taxes and Fees	*Reference*		*Base or Measure*	*Rate*	*Administering Agency*	*Fund*
	Code	*Sections*				
Alcoholic Beverage Excises:						
Beer	R & T (1)	32151(a)	Gallon (2)	$0.04 (2)	Equalization (3)	General
Distilled spirits	R & T	32201(a)	Gallon	1.50 (4)	Equalization	General
Wine:						
Dry	R & T	32151(b)	Gallon	.01	Equalization	General
Sweet	R & T	32151(c)	Gallon	.02	Equalization	General
Sparkling	R & T	32151(d)	Gallon	.30	Equalization	General
Sparkling hard cider	R & T	32151(e)	Gallon	.02	Equalization	General
Bank and Corporation:						
General corporations	R & T	23151 23501	Net income	5.5% (5)	Franchise (6)	General
Banks and financials	R & T	23181 23183	Net income	9.5% Max.	Franchise	General
Cigarette	R & T	30101	Package (7)	$0.03 (7)	Equalization	General
Gift	R & T	15201	Market value	2–24%	Controller	General
Horse Racing License	B & P (8)	19491	Amt. wagered Breakage	5–8% 50–100%	Horse Racing Board	Fair and Exposition and General
Inheritance	R & T	13401	Market value	2–24%	Controller	General
Insurance	R & T	12202	Gross premiums (9)	2.33% (9)	Insurance Comm.	General
Liquor License Fees	B & P	23320	Type of license	Various	Alcoholic Bev. Control Dept.	Alcohol Bev. (10) and General
Motor Vehicle:						
Vehicle license fees	R & T	10751	Market value	2%	Motor Veh. Dept.	Veh. Lic. Fee (11)
Fuel—gasoline	R & T	7351	Gallon	$0.07	Equalization	Fuel (12)
Fuel—diesel	R & T	8651	Gallon	.07	Equalization	Fuel
Registration fee	Vehicle	9250	Vehicle	9.00	Motor Veh. Dept.	Motor Veh. (13)
Weight fees	Vehicle	9400	Unladen weight	Various	Motor Veh. Dept.	Motor Veh.
Transportation	R & T	9651	Gross receipts	1½%	Equalization	Transp. Tax (14)
Personal Income	R & T	17041	Taxable income	1–7%	Franchise	General
Private (Railroad) Car	R & T	11401	Valuation	(15)	Equalization	General
Retail Sales and Use	R & T	6051 6201	Receipts from sales of taxable items	3%	Equalization	General

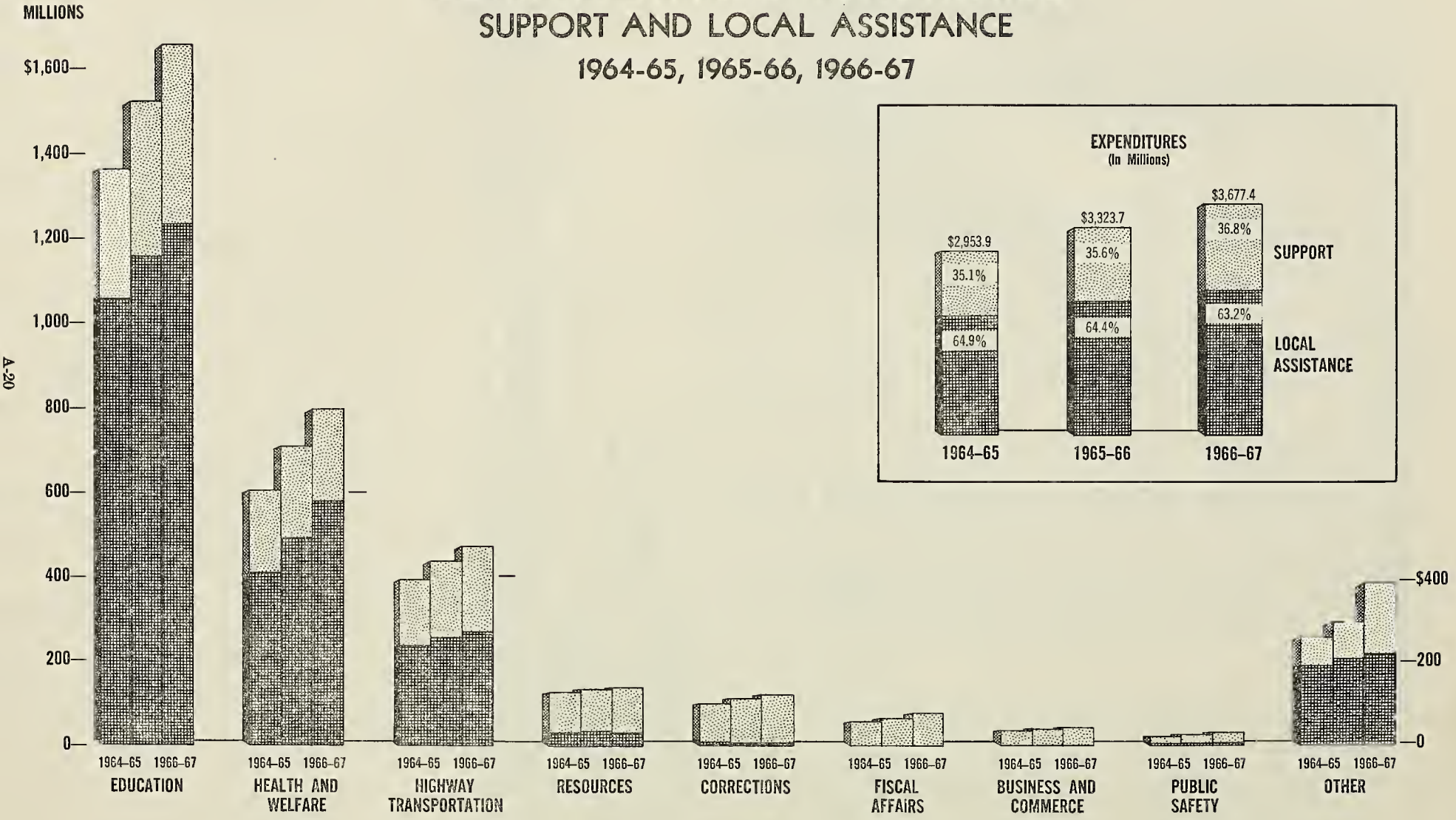
(1) Revenue and Taxation Code.
(2) This tax is levied at the rate of $1.24 per 31-gallon barrel.
(3) State Board of Equalization.
(4) Distilled spirits in excess of proof strength are taxed at double this rate.
(5) Minimum tax $100 per year, not applicable to banks.
(6) Franchise Tax Board.
(7) This tax is levied at the rate of 1.5 mills per cigarette.
(8) Business and Professions Code.
(9) Ocean marine insurance is taxed at the rate of 5 percent of underwriting profit attributable to California business. A special rate also applies to annuities.
(10) For return to cities and counties.
(11) For payment of administrative costs and apportionment to counties, cities and school districts.
(12) For administrative expense and apportionment to state, counties and cities for highway, airport and small craft harbors.
(13) For support of State Department of Motor Vehicles, California Highway Patrol, county roads and state highways.
(14) For administrative expenses and state highways.
(15) Average property tax rate in the state during preceding year, which for 1964–65 was $7.29 per $100 of assessed valuation.

CHART 5

COMPARATIVE EXPENDITURES

SUPPORT AND LOCAL ASSISTANCE

1964-65, 1965-66, 1966-67



Expenditure Program, 1966-67

Support and Local Assistance

Add over 600 thousand persons per year to the population of any state, superimpose the impact of rapidly changing technologies, provide for the effects of continually broadening recognition of socio-economic responsibilities, and the result is an inescapable upward trend in expenditures. The influence of these and similar factors pervade the entire spectrum of state government. Sound management and emphasis on economy in operation serve as constraints to prevent excessive or unessential costs, but a representative form of government must function in a responsible, responsive way—the needs and the will of the people have to be served.

To meet the current operational costs of state agencies and to provide financial assistance to cities, counties, and special districts during the coming fiscal year will require $3,677,448,706 [a] an increase of $353,723,809 [a] or 10.6 percent over the $3,323,724,897 [a] estimated expenditures for the same purposes during the 1965–66 fiscal year.

The recommended expenditures for the 1966–67 fiscal year include $1,352,377,900 for support of the day-to-day activities of state government, an increase of 14.4 percent or $170,381,600 over the revised estimated costs for the same purpose in 1965–66. Financial assistance to local governments total $2,325,070,800 for 1966–67 as contrasted with $2,141,728,600 in 1965–66, up $183,342,200 or 8.6 percent.

Table 13

STATE OPERATIONS EXPENDITURES BY PRINCIPAL BUDGET DIVISION

(In Millions)

	1964–65 Actual	1965–66 Estimated	1966–67 Proposed	Change from 1965–66 Amount	Change from 1965–66 Pct.
State support	$1,035.5	$1,182.0	$1,352.4	$170.4	14.4
Local assistance	1,918.4	2,141.7	2,325.0	183.3	8.6
Totals	$2,953.9	$3,323.7	$3,677.4	$353.7	10.6

Also proposed are capital expenditures of $929,389,600. Of this amount, it is proposed to finance $56,319,600 from the General Fund and special funds (excluding highway funds); $314,792,300 from highway user funds; and $558,277,700 from bond funds—state building construction bonds $174,971,600, park and recreation bonds $50,640,400, and $332,665,700 from bonds for water facilities.

Although population growth alone would account for significant increases in the state's expenditures, progressively higher prices, investment in improvements in the field of education, and programs to alleviate economic hardship and sociologically induced handicaps contribute to higher budget totals.

Local Assistance

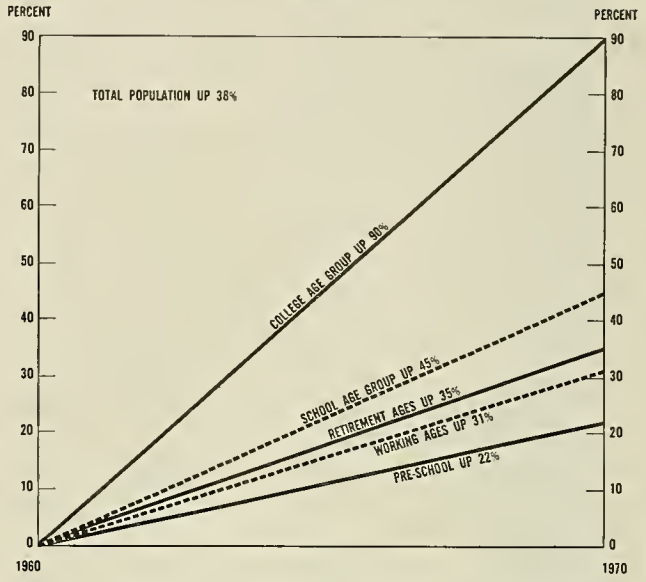
Just as the expenditures of state government have risen in response to the needs of a growing population and broadening responsibilities, the costs of local government have been forced upward. This factor is graphically illustrated by the recommended expenditure of $2,325.0 million in the form of assistance to cities, counties, and special districts in 1966–67 compared to $2,141.7 million in 1965–66, an increase of 8.6 percent.

[a] Subsequent amounts rounded as indicated.

CHART 6

GROWTH RATES, CALIFORNIA

1960–1970



Representing 63 percent of the total budget for current operations, the major increases proposed in this area are for disbursements required by law in accordance with legislatively established formulae.

Support

The current operational costs of all state government—legislative, judicial, and executive—are estimated at $1,352.4 million for 1966–67, $170.4 million or 14.4 percent over 1965–66.

Program Augmentations

In past years, the budgets of several major departments have been presented in a format that clearly differentiated between the cost of continuing operations without provision for any substantive improvement or expansion of services and the recommended expenditures for new programs and intensified or upgrading of services. The State Colleges, the Departments of Mental Hygiene and Corrections, and the University of California budgets illustrate this approach. Because of the advantage of this ready means of identification of the workload portion of an agency's proposed expenditures and the costs of additional or higher levels of service, this technique has been applied throughout the entire budget for 1966–67. Table 14 summarizes the "Program Augmentations" included in the budget. The justification and description of these proposals will be found in the detailed agency budgets.

Excluded from the listing are the recommended expenditures of $48.6 million for salary increases and the effect of a 2 percent increase in productivity ($15 million General Fund plus $5 million special funds) called for by the Governor.

Table 14
SUPPORT AND LOCAL ASSISTANCE PROGRAM AUGMENTATIONS
1966–67

Agency	Expenditures by fund: General Fund	Special and other funds	Federal funds	Totals all funds
Executive:				
Governor's Office	$55,000	–	–	$55,000
Consumer Counsel	13,000	–	–	13,000
General Administration:				
State Employee's Retirement System	–	$26,700	–	26,700
Department of General Services	127,000	–	–	127,000
Personnel Board	28,052	–	–	28,052
Secretary of State	35,782	–	–	35,782
Agriculture:				
Museum of Science and Industry	36,400	–	–	36,400
Corrections:				
Department of Corrections	247,727	–	–	247,727
Department of the Youth Authority	145,953	–	–	145,953
Education:				
National Interstate Compact for Education	7,800	–	–	7,800
Special Schools:				
School for the Blind	–	–	$33,228	33,228
School for the Deaf (Berkeley)	15,694	–	127,299	142,993
School for the Deaf (Riverside)	7,458	–	119,063	126,521
Division of Libraries	–	–	64,512	64,512
State Teachers' Retirement System	27,618	–	–	27,618
Higher Education:				
Co-ordinating Council for Higher Education	27,250	–	–	27,250
University of California	3,830,934	–	–	3,830,934
Trustees of State Colleges Washington, D.C., Office	49,813	–	–	49,813
State Colleges	2,603,608	–	–	2,603,608
State Scholarship Commission	93,000	–	–	93,000
Employment:				
Commission on Manpower Automation and Technology	–	75,000	–	75,000
Fiscal Affairs:				
Board of Equalization	49,018	–	–	49,018
Department of Finance	589,100	–	112,075	701,175
State Lands Division:				
Long Beach Operations	–	(128,456)	–	(128,456)
Other Operations	117,969	–	–	117,969
Franchise Tax Board	313,485	–	–	313,485
Department of Housing and Community Development	275,000	–	–	275,000
Health and Welfare:				
Citizens Advisory Committee on Aging	39,470	–	–	39,470
Department of Mental Hygiene:				
Support	1,387,615	–	–	1,387,615
Local Assistance—Short-Doyle Program	2,917,416	–	–	2,917,416
Department of Public Health	400,946	–	108,722	509,668
Department of Rehabilitation	10,897	–	32,693	43,590
Department of Social Welfare:				
Support	55,650	–	61,340	116,990
Local Assistance—Special Social Service Program	370,450	–	513,604	884,054
Industrial Relations:				
Department of Industrial Relations	56,257	–	–	56,257
Justice:				
Department of Justice	372,359	–	–	372,359
Program for Administration of Criminal Justice	1,073,000	–	–	1,073,000
Military Affairs:				
Military Department	$14,461	–	–	$14,461
Regulation and Licensing:				
Department of Insurance	–	$36,345	–	36,345
Department of Professional and Vocational Standards:				
Departmental Administration	–	9,250	–	9,250
Board of Barber Examiners	–	6,764	–	6,764
Board of Cosmetology	–	11,147	–	11,147
Public Utilities Commission	59,976	19,599	–	79,575
Resources:				
Administrator of Resources Agency	33,788	–	$266,788	300,576
Department of Conservation	589,788	–	–	589,788
Department of Fish and Game	92,000	–	180,000	272,000
Department of Parks and Recreation	18,000	–	–	18,000
Reclamation Board	10,000	–	–	10,000
Transportation Agency:				
Department of Motor Vehicles	–	30,000	–	30,000
Veterans Affairs:				
Veterans Home of California	141,614	–	–	141,614
Miscellaneous:				
Statewide Federated Information System	571,653	–	–	571,653
World Trade Authority:				
Coordinating Council	50,000	–	–	50,000
Migrant Master Plan	91,550	–	3,523,950	3,615,500
Unallocated:				
Data Processing Package	836,326	458,708	–	1,295,034
Poverty Reduction and Prevention Program	20,318,300	1,900,000	19,377,000	41,595,300
Totals	$38,208,177	$2,573,513	$24,520,274	$65,301,964

Functional Analysis

In order that the total 1966–67 expenditure plan for current operations may be considered in broad functional terms, the costs for support and local assistance have been consolidated in Table 15 into nine principal categories. By this means the magnitude of the expenditures for each major purpose and the relative costs may be readily seen.

Table 15
OPERATIONS EXPENDITURES CLASSIFIED BY PRINCIPAL FUNCTIONS
(In Millions)

Function	Proposed 1966–67	Percent of Total	Change from 1965–66 Amount	Change from 1965–66 Pct.
Education	$1,653.1	45.0	$133.2	8.8
Health and welfare	795.5	21.6	88.5	12.5
Transportation	470.0	12.8	34.0	7.8
Resources	136.2	3.7	1.0	0.7
Corrections	120.7	3.3	8.5	7.7
Fiscal affairs	65.5	1.8	5.5	9.2
Business and commerce	40.4	1.1	1.9	4.9
Public safety	31.1	0.8	3.0	10.7
Other	364.9	9.9	78.1	27.2
Totals	$3,677.4	100.0	$353.7	10.6

So that the figures reported here may be related directly to those contained in the detailed budget schedules, lump sum amounts are included under "Other Expenditures." Prior to the 1965–66 Budget such items as workman's compensation benefits, overhead service charges, and unidentified savings were pro-

rated among the major functions, but this modest improvement in the accuracy of cost allocation was more than offset by the seeming disparities introduced by this adjustment.

Education—$1,653,100,000

In terms of dollars expended and benefits received by the citizens of California, education can be considered the siugle most important fuuction of state support. As a result of the emphasis placed on education and because of increasing enrollments this part of the budget again constitutes the largest category of state expenditures.

In 1966–67 California will again provide education for more public school children, college and graduate students, and professional school students than any other state at a cost of $1.7 billion. This is $133.1 million over the current year cost. Of the total budget dollar 45 cents will be expended on education, and of each General Fund dollar 56.6 cents will be devoted to the support of California's educational system.

Table 16

EXPENDITURES FOR EDUCATION

(In Thousands)

	1964–65 Actual	1965–66 Estimated	1966–67 Proposed	Change from 1965–66 Amount	Change from 1965–66 Pct.
State Support:					
Department of Education	$4,185	$4,537	$4,487	-$50	-1.1
Division of Libraries	1,228	1,293	1,377	84	6.5
Special schools	5,680	6,093	6,010	-83	-1.4
Vocational education	739	747	817	70	9.4
Higher Education:					
Coordinating Council	329	379	434	55	14.5
University of California	179,743	204,416	231,682	27,266	13.3
Hastings College of Law	400	545	630	85	15.6
State Colleges	115,594	140,488	168,110	27,622	19.7
Maritime Academy	531	564	562	-2	-0.4
Scholarship Commission	3,702	3,888	5,124	1,236	31.8
Teachers' Retirement	805	932	1,048	116	12.4
Totals, State Support	$312,936	$363,882	$420,281	$56,399	15.5
Local Assistance:					
School support	937,400	1,027,962	1,093,653	65,691	6.4
Compensatory education	–	967	954	-13	-1.3
Junior college assistance	420	116	–	-116	-100.0
Child care centers	6,414	7,319	7,760	441	6.0
Teachers' Retirement	52,513	59,750	61,000	1,250	2.1
Teachers of physically handicapped minors	54	6	–	-6	-100.0
Financial assistance to public schools	58	–	–	–	–
Debt service	45,412	50,505	51,661	1,156	2.3
Free textbooks	11,981	7,797	15,000	7,203	92.4
Assistance to public librarles	799	801	800	-1	-0.1
School building construction	42	632	161	-471	-74.5
Vocational education	230	230	1,830	1,600	695.7
Totals, Local Assistance	$1,055,323	$1,156,085	$1,232,819	$76,734	6.6
Grand Totals	$1,368,259	$1,519,967	$1,653,100	$133,133	8.8

Local Assistance for Education

During the current year, 4.6 million students, or nearly one out of four persons in the state, will be enrolled in the public schools—kindergarten through grade 14. This enrollment level, an increase of 206,212 over the 1964–65 enrollment, will require a state contribution of more than $1,093,000,000 next year at the higher levels of state support provided by AB 145 (Chapter 132, Statutes of 1964).

AB 145 added $12.44 per student for the 1964–65 fiscal year, primarily with an encouragement of $10 per student for reduced class sizes. It also added $14.76 per student beginning in 1965–66 for those districts qualifying for unification. Approximately 66 percent of all students qualified for the unification bonus in 1965–66. It is estimated that some 70 percent will qualify for the bonus in 1966–67.

It was stated in the 1964–65 Budget Message that any new state funds for public schools should be contingent on the adoption of fiscal reform legislation to require a more reasonable sharing of local effort. AB 145 met this reform requirement by providing for the unification of school districts at a size not less than that of the existiug high school district boundaries. The great uumber of districts existing in the State of California creates problems of equitable support of the public schools because the districts serve as taxing units as well as governing units, all too often separatiug the children from the wealth. The great variation in ability to support education that exists among local districts creates barriers to equal educational opportunity for all children in California. Achieving school district unification will reduce the disparity in wealth behind each child from the existing relationship of 744 to 1 to an estimated 30 to 1. The new sums of state money iu equalization aid together with the formation of larger, better fiuanced, school districts will be a major step toward equalizing the educational opportunities for all children in California and towards providing a measure of long-needed tax relief for many property owners in California.

AB 145 also incorporated incentives for a reduction in class size in our public schools. California ranks 44th among the 50 states in pupil-teacher ratio. To improve quality in the educational program and to improve teaching conditions in California schools, AB 145 provides a plan that will make possible a reduction in class sizes in grades 1, 2, and 3 to not more than 30 by 1968–69. A recent report shows that the statewide average class size for these grades is 29.38, but that there are over 42,000 pupils in excess of 30 per class in 16,280 classes throughout the state.

An appropriation of $8,909,000 is proposed in 1966–67 to finance the first year's cost of the Miller-Unruh Basic Reading Act of 1965. This program will improve the teaching of reading by providing full-time specialist teachers to the schools with underachieving children.

An appropriation of $8,000,000 is proposed iu 1966–67 to finance the cost of special programs for the educationally handicapped. An additional appropriation of $700,000 is proposed to reimburse school districts for instructional television costs as authorized by Chapter 1236, Statutes of 1965.

The budget provides $5.37 million for the furnishing of previously adopted textbooks and provides $9.63 million for new adoptions in science, health, history, geography and social studies. The selection process for these new adoptions is now underway and it will result in one of the largest adoptions in the history of the textbook program.

Funds for children's centers of $7.8 million will provide for an estimated 6 percent increase in enrollment hours of attendance over 1965–66. These centers are operated by 46 school districts, primarily in the urbanized areas of the state, to provide low cost instruction, care and supervision of children whose parents must work to provide an adequate livelihood for the family. An additional amount of $7.58 million will be provided this program from the Department of Social Welfare to finance preschool compensatory education to children from families receiving or who might receive public assistance.

The 1966–67 Budget includes $800,000 for assistance to public libraries as authorized by the Public Library Services Act. This program, added by action of the 1963 Legislature is presently under study by a study committee named by Chapter 1820, Statutes of 1965. Legislation is to be presented to the Legislature on or before the 2nd legislative day of the 1966 Budget Session.

Compensatory education programs are now in progress in most school districts of the state. These programs will compensate educationally deprived children of low-income families so that they may compete in the normal educational program. An appropriation of $953,893 is proposed in the budget year and it is estimated that $77.9 million will be available from federal grants for these purposes.

Title 2 of the Federal Elementary and Secondary Education Act of 1965 will furnish some $9 million in 1966–67 to improve school library resources of the state. This 5-year program will make available to public and private school children library resources, textbooks and other printed materials which are essential for improvement of the educational quality of the schools.

The debt service on public school building bonds will increase to $84.9 million in 1966–67 of which $51.7 million will come from the General Fund. This program has constructed over 52,000 classrooms to house over 1.7 million students since the beginning of the program in 1947. The remaining bond authorization will be fully obligated in 1966, making necessary a new state school building aid bond act.

Higher Education

California's system of publicly supported higher education consists of (1) public junior colleges which are locally controlled, tuition free, and jointly supported by the local school districts and the state, (2) multipurpose 4-to-5-year liberal arts state colleges, and (3) a state university offering advanced graduate and professional education programs. To coordinate the formulation of state program and policies in this area, the Legislature established the Coordinating Council for Higher Education in 1961. This advisory agency, representing public and private higher education and the general public makes recommendations to the Governor on levels of state support for the three segments, and the proper distribution of functions among the segments.

This budget provides an increase of state support of $56 million in addition to apportionments to local junior college districts. In addition to increases related to enrollment in the University and state colleges discussed below. the budget for the State Scholarship Commission provides for an increase in the number of scholarships from 5,120 to 6,400 as authorized by the 1965 session of the Legislature.

University of California

To maintain its status as a recognized center of teaching and research activities, $231 million will be required in 1966–67 for current operations and $66 million in capital outlay to meet future student enrollments. This reflects provision for an estimated 80,777 students on the University's 9 campuses, an increase of 6,158, or 8.3 percent, over the current year.

An increase of $3.8 million is required for new and improved programs. Of the major items, $1.2 million is included for libraries to provide for rapidly expanding programs on the developing campuses with an additional 71,850 volumes and related acquisition expenses, and an initial increment of 10,000 volumes for the Davis Medical Library.

Federal legislation enacted on September 14, 1965 (PL 89-182) authorized funds to assist states in establishing programs to disseminate scientific and technological research information to business and industry through colleges and universities with accredited engineering, business administration and science programs. The University has been designated as the state agency to administer and coordinate activities under this act. Matching funds on a 50 percent matching basis will produce a program at a level of $1.3 million during the budget year.

State Colleges

The 17 state colleges are administered by the Trustees of the California State Colleges. These colleges will provide academic programs for 129,845 full-time equivalent students in 1966–67, an increase of 12,224 students over the current enrollment. The state college system is one of the fastest growing and largest single complexes for higher education in the nation. The individual colleges, each with a geographic, curricular, and academic character of its own, offer solid basic programs in liberal arts. Beyond this, each college provides individualized academic opportunities to the student population of the state.

The expenditure program for the state colleges totals $168.1 million for current operations to provide for continuation of the currently approved levels of service.

Because of pressure for greater utilization of physical plant, a move toward year-round operation is being undertaken. Funds are provided in this budget to partially implement a conversion to a 4-quarter system at some of the colleges. Also included are improvements in the instructional program for graduate students, improvements for faculty benefits and improvements in the program for social work students.

Department of Education

The administration and general supervision of public education through the junior college level is the responsibility of the Department of Education. Among the programs embraced by this broad field are the apportionment of funds for public school support; selection, printing and distribution of free textbooks for the elementary grades; and direct administration of special schools and facilities for the handicapped.

The department also acts as the cooperating agency in such federal-state cooperative programs as vocational education, national defense education, the distribution of surplus property, and, for the first time this year, the Elementary and Secondary Education Act of 1965. This latter program envisions the expenditure of $1.7 million during the current year and $1.9 million during the budget year for compensatory education, school library resources, and the strengthening of the State Department of Education.

A major phase of strengthening the State Department of Education is encompassed in a Phase II Study

by the Arthur D. Little Company. Phase I was completed in October, 1964 as the Emerging Requirements for Effective Leadership for California Education. Phase II will examine the role of the State Board of Education, an administrative pattern for the junior colleges, the role of the large metropolitan school districts, and the organization of the Department of Education.

Teachers Retirement System

Legislation will be introduced at the 1966 legislative session to change the funding of the administrative support of the Teachers Retirement System from the General Fund to a sharing formula including the General Fund, active system members, and school districts. This will provide funds to both members and school districts.

The state will also contribute $61 million for the major share of retirement benefits for 34,000 teachers who will have retired by the end of the budget year.

Health and Welfare—$795,473,000

Measured by relative level of expenditures, the efforts of California State Government in the enhancement of the physical and mental well-being of the state's inhabitants is the second principal category of expenditure.

Table 17

EXPENDITURES FOR HEALTH AND WELFARE
(In Thousands)

	1964–65 Actual	1965–66 Estimated	1966–67 Proposed	Change from 1965–66 Amount	Change from 1965–66 Pct.
State Support:					
Mental hygiene	$173,749	$192,796	$197,902	$5,106	2.6
Public health	11,586	13,302	12,833	-469	-3.5
Rehabilitation	5,365	5,629	4,299	-1,330	-23.6
Social welfare	4,926	5,843	5,912	69	1.2
Other	222	306	384	78	25.5
Totals, State Support	$195,848	$217,876	$221,330	$3,454	1.6
Local Assistance:					
Medical fee and related services cost increase	–	–	1,878	1,878	100.0
Mental health services	9,750	14,337	18,001	3,664	25.6
Public Health:					
Crippled children	8,611	9,073	9,520	447	4.9
Tuberculosis subsidies	3,317	3,411	3,169	-242	-7.1
Aid to counties without health departments	479	487	515	28	5.7
Local health departments	4,363	4,500	4,606	106	2.4
Mosquito and gnat control	176	50	50	–	.0
Physically handicapped children	1,627	2,017	2,210	193	9.6
Assistance to local agencies for alcoholism programs	–	–	1,867	1,867	100.0
Assistance to local agencies for mental retardation services	–	–	1,513	1,513	–
Hospital construction	10,967	18,370	18,864	494	2.7
Totals, Public Health	$29,540	$37,908	$42,314	$4,406	11.6
Social Welfare:					
Aid to the blind	10,516	9,070	7,023	-2,047	-22.6
Aid to potentially self-supporting blind	225	110	395	285	259.1
Aid to the disabled	44,892	57,368	59,039	1,671	2.9
Aid to needy children	116,035	128,927	136,298	7,371	5.7
Old age security	163,330	157,224	149,445	-7,779	-4.9
Medical assistance for aged	27,304	19,981	–	-19,981	-100.0
Special social service program	7,762	10,890	12,762	1,872	17.2
Aid to victims of crimes of violence	–	67	67	–	.0
General assistance	167	–	–	–	–
Public assistance program savings	–	–	-5,000	-5,000	100.0
Totals, Social Welfare	$370,231	$383,637	$360,029	$-23,608	-6.2
Medical assistance program	–	53,237	151,921	98,684	185.4
Totals, Local Assistance	$409,521	$489,119	$574,143	$85,024	17.4
Grand Total	$605,369	$706,995	$795,473	$88,478	12.5

This classification embraces those activities directed toward the alleviation of disease and physical disabilities and is concerned with the diagnosis and treatment of mental illness and emotional problems. In addition the activities of the state aimed at the rehabilitation of the handicapped to restore their ability to assume their proper place in society as productive citizens are included within this category.

These responsibilities are shared by the Department of Public Health, the Department of Mental Hygiene, the Department of Rehabilitation, and the Department of Social Welfare.

So important is this function of government that all levels—federal, state and local cooperate both financially and operationally in the attack on these problems. The level of state assistance is reported in Table 17.

Social Welfare

Assistance to Californa's aged, handicapped and needy citizens takes the from of expenditures for economic aid as well as for specialized social services and the cost of administration. Expenditures will total $365.9 million in state funds during 1966–67. This is a decrease of $23.5 million over the revised estimate of expenditures for 1965–66. This decrease is attributable to the impact of the new medical assistance program created by Chapter 4, Statutes of 1965, Second Extraordinary Session, on the public assistance programs.

The estimated state share of public assistance expenditures in 1965–66 excluding the cost of administration is revised to $372.7 million. This is a decrease of $51.5 million from the estimate in the Budget Act of 1965 of which $49 million is attributable to the impact of the fiscal requirements of Chapter 4, Statutes of 1965, Second Extraordinary Session, on these programs.

Comparison of expenditures between fiscal years alone does not give a clear picture of the trend in the basic public assistance program due to the impact of the transfer of the medical assistance costs to a separate program. A more accurate reflection of the trend may be seen in the overall caseload increases. In 1965–66 the caseload for all programs is estimated at 996,999 and is estimated to be 1,101,427 in 1966–67. Factors contributing to this increase include population growth, and the continuing effect of legislative liberalization enacted at the 1963 General Session.

Included in the budget estimates for the public assistance programs are funds to provide for statutory cost-of-living increases. No increase in the existing level of service is planned for these programs.

Citizens' Advisory Committee on Aging

The proposed 1966–67 expenditure program totals $422,000 which is composed of $125,000 state funds and $297,000 federal funds. The total of state funds is intended for the continuation of current workload including a new office in Los Angeles and for the anticipated increased operations necessary to administer the Federal Older Americans Act Program in California.

Medical Assistance Program

Chapter 4, Statutes of 1965, Second Extraordinary Session, established the California Medical Assistance

5—64654

Program. This program replaced the Public Assistance Medical Care and Medical Assistance for the Aged Programs previously included in the public assistance programs. The new legislation implemented Public Law 89-97, the federal medical care program. The expenditures of state and federal funds for this program in 1966–67 are estimated to be $443.8 million. In addition the counties will contribute an estimated $140 million to this total. This total includes $151.9 million of state funds and $291.9 million of federal funds. Inasmuch as this program is still in the planning stages these figures may be revised. A separate addendum to the Governor's Budget is being prepared on the medical assistance program and will be presented to the Legislature.

Medical Fee and Related Services Cost Increase

A special allowance has been made in the 1966–67 budget for an anticipated $5.2 million increase in the cost of medical fees and related services independent of the increases which will occur due to Chapter 4, Statutes of 1965, Second Extraordinary Session. Of this amount, $3.3 million will be financed from federal sources and $1.9 million from the General Fund.

Mental Hygiene

The proposed expansion of the mental health program will require $5.1 million over current-year expenditures for state support, carrying the cost of this function to $197.9 million in 1966–67.

During the 1966–67 fiscal year, it is planned to develop further and improve the services that make up California's comprehensive approach to the problems of mental illness and mental retardation. A program for mentally ill patients is expected to intensify the use of existing resources and make possible a further reduction in the population of the hospitals for the mentally ill. By June 30, 1966, the population of these hospitals will be 26,930 compared with 27,770 projected for the same date in the 1965–66 Budget. By June 30, 1967, it is estimated that the population will be further reduced to 24,980. This compares with 36,771 on June 30, 1959. This significant reduction has been accomplished despite a rising state population and an increasing number of admissions.

A continuation of the trend of rising population is projected for the hospitals for the mentally retarded. During 1966–67 it is estimated that 1,400 patients will be admitted. The resident population is expected to be 13,732 by June 30, 1967, the highest level to date. This is due primarily to the conversion of 500 mentally ill beds to 500 mentally retarded beds at the Agnews State Hospital in conjunction with the legislative action of the 1965 Legislature. The 1966–67 Budget also reflects the first full year of operation for the Sonoma Multihandicapped Unit.

Enrichment of hospital treatment, expansion of various community-based programs such as home leave, family care, preadmission and after-care services, development of Short-Doyle community mental health services, and other cooperative efforts between state and local agencies have been significant factors in the success of California's program in recent years. This budget includes funds to develop further many of these services in an effort to exploit the advances made to date. Besides funds for additional staffing for increased mentally ill and mentally retarded admissions and other workload increases, an augmented program of $1.4 million is proposed. This amount includes $688,000 for improvement of hospital service in a variety of activities such as special drug therapy, improved medical care allotment, the implementation of an adolescent unit at Napa State Hospital, and the first phase of an improved medical-surgical program at Stockton State Hospital.

To improve the posthospital services which have been so necessary to the department's overall program, increases are proposed in tranquilizing drugs for leave patients in the amount of $452,000. Also it is proposed that additional placements of mentally retarded patients be made in private institutions and hospitals in the amount $125,000 along with the necessary placement staff.

In the area of central program administration and services, $66,000 is included for 5 new positions in support of volunteer services, education services, and psychology services for the Bureau of Mental Retardation.

In addition to expenditures proposed for state support, an allocation of $18 million is provided to continue the expansion of community mental health services (Short-Doyle program) and thus reduce the number of citizens who would otherwise have to leave their home communities because of mental problems. The 1966–67 fiscal year will provide state reimbursements to local jurisdictions for local mental health services at a dollar level which is double that of the 1964–65 fiscal year. This is indicative of the dramatic change that is taking place in the local mental health field and has been a major factor in enabling the department to provide significant reductions in resident population at the state hospitals.

Public Health

Several new program responsibilities were placed with the Department of Public Health by the 1965 Legislature. Of major significance was the responsibility for the care and treatment of the mentally retarded through the establishment of regional diagnostic and counseling centers serving the mentally retarded and their families. This program provides for the purchase of care for the retarded in the local community when failure to provide such care would otherwise result in hospitalization. The full-year costs of this program for 1966–67 will be over $1,600,000 and will provide services to approximately 500 individuals and their families.

Another program which was authorized by the 1965 Legislature was the establishment of a broad-based community alcoholism treatment and rehabilitation program. The 1966–67 Budget proposes a $1,000,000 increase in funds to assist local health departments in the establishment and operation of expanded alcoholism control programs.

In the field of environmental health an increased effort is needed to solve the problems of this fast-growing urban state. The budget provides for an additional $250,000 to improve present air quality standards and to explore new methods of controlling air pollution. The rapid urban development overlying the existing water basins has raised questions as to the adequacy of existing sanitary engineering standards. Included in the 1966–67 budget of the Depart-

ment of Public Health are funds to initiate a comprehensive study of our ground water supplies to determine if present standards provide adequate public health protection.

The increased emphasis being placed on medical care and the related program expansions has necessitated additional staff in the Department of Public Health to meet the problems and workload related to nursing home inspections, crippled children services and community health services.

Rehabilitation

The Department of Rehabilitation's 1966–67 budget proposes a substantial increase in program expenditures with no increase in General Fund costs. This is the result of the passage of Public Law 89-333 increasing federal participation in state rehabilitation programs from 51 percent federal funds—49 percent state funds to 75 percent federal funds—25 percent state funds in the 1966–67 fiscal year. In addition, as a result of the federal legislation, substantial changes were enabled in the 1965–66 year as the federal-state cost sharing ratio was revised from 51–49 to approximately 63 percent federal funds—37 percent state funds in 1965–66.

The 1966–67 budget for the Department of Rehabilitation provides for a $28.9 million program of which $24.6 million are federal funds. This is an increase of $6.8 million over the revised 1965–66 budget. In addition, the Department of Rehabilitation will be participants in the supplemental poverty reduction and prevention program to be presented in a separate submission. General Fund expenditures for the department in the printed portion of the budget are declining by $1.3 million over the current fiscal year. It is anticipated that the supplemental program will utilize these funds.

Included in the 1966–67 Budget is an increase in case service funds for each experienced counselor from $25,000 to $30,000. Positions are provided to enable the department to service and administer the $8 million cooperative rehabilitation services program authorized by the 1965 Legislature. This program enables the department to provide services to many individuals who formerly could not be adequately served. Included in this program is a joint effort by the Departments of Mental Hygiene and Rehabilitation to staff the 500-bed facility for the mentally retarded at Agnews State Hospital.

In addition, the department is taking advantage of the new federal legislation to provide services to old age survivors disability insurance recipients at 100 percent federal cost. Other expanded programs include services to physically handicapped individuals in public and other nonprofit workshops, services to public welfare recipients, and improvement of workshop services.

Transportation—$469,943,000

Construction and maintenance of state highways, enforcement of traffic regulations, registration of motor vehicles, and licensing of drivers constitute the third largest category of expenditures.

This category—Transportation—includes the programs of the Departments of Public Works, California Highway Patrol and Motor Vehicles.

Highways

The State Highway budget is prepared under the direction of the State Highway Commission and, in accordance with law, must be submitted to the Legislature without modification by the Governor. It is included here to provide a comprehensive report of state expenditures.

This budget provides $81.9 million for direct state operations. Included within this amount is $50.9 million for highway maintenance, $16.9 million for administration, $7.3 million for maintenance of landscaping and functional planting, and $3.4 million for support of the Division of Bay Toll Crossings.

Construction funds totaling $654.2 million will provide 320 miles of multilane freeways and additional lanes on another 29 miles of existing freeways.

The State Highway budget also provides $154 million in state funds for road purposes other than state highways. The larger of these nonstate highway items are $76.7 million for construction and right-of-way for streets and roads on the select system of cities and counties and $53.5 million for improvements and maintenance work on city streets, augmented by $8.5 million in federal funds for the Federal Aid Secondary System.

Table 18

EXPENDITURES FOR TRANSPORTATION

(In Thousands)

	1964–65 Actual	1965–66 Estimated	1966–67 Proposed	Change from 1965–66 Amount	Change from 1965–66 Pct.
State Support:					
Highway patrol	$44,483	$56,123	$70,839	$14,716	26.2
Department of Motor Vehicles	40,308	45,407	50,211	4,804	10.6
Highway maintenance, etc.	75,011	79,619	81,899	2,280	2.9
Other	204	268	281	13	4.9
Totals, State Support	$160,006	$181,417	$203,230	$21,813	12.0
Local Assistance:					
For County Roads:					
Fuel tax	$105,704	$114,100	$120,000	$5,900	5.2
For City Streets:					
Fuel tax	46,014	52,300	55,000	2,700	5.2
County Roads and City Streets:					
Motor vehicle fuel tax	67,250	73,000	76,800	3,800	5.2
Grade crossing protection	5,200	5,625	5,800	175	3.1
Local roads and highways	7,503	8,671	7,998	−673	−7.8
Other	350	833	1,115	282	33.9
Totals, Local Assistance	$232,021	$254,529	$266,713	$12,184	4.8
Grand Totals	$392,027	$435,946	$469,943	$33,997	7.8

California Highway Patrol

An increase of $14.7 million is proposed over the current year expenditures for the Highway Patrol, bringing the cost of this function to $70.8 million. Most of this increase is to finance the first phase of the expansion directed by Chapter 2031, Statutes of 1965, which authorized doubling the uniformed strength of the patrol in three years. Included are 1,000 traffic officers to be used for "Road Patrol" and "Enforcement" plus necessary supporting staff and expenses.

Department of Motor Vehicles

The major responsibilities of the Department of Motor Vehicles include registration of vehicles, licensing of drivers, and the fixing of financial responsibility of motorists involved in accidents. It is estimated that during the 1966–67 fiscal year the department will register 12,145,000 vehicles and issue 2,786,000 driver licenses at an estimated cost of $50.2 million.

This budget provides for expected workload and for continuation of conversion of the driver license files from a manual system to an electronic data processing system.

Funds in the amount of $30,000 are provided for an Automobile Insurance Compensation Plan Study. The study will be conducted by a special committee and will develop cost and actuarial information pertainiug to various methods of distributing personal injury and other losses resulting from automobile accidents.

Resources—$136,172,000

The maximum beneficial utilization of Califoruia's natural resources; including the development protectiou and improvement of wildland water resource recreation, and associated uses is the fourth function in order of magnitude as measured by expenditures.

The ueed for planning and coordination of the various recreation programs has been demonstrated. Within the Resources Agency an amount of 0.3 million is included for this purpose and to include recreation at each level of government.

Table 19

EXPENDITURES FOR RESOURCES
(In Thousands)

	1964–65 Actual	1965–66 Estimated	1966–67 Proposed	Change from 1965–66 Amount	Change from 1965–66 Pct.
State Support:					
Agriculture	$24,870	$26,176	$26,502	$326	1.2
Conservation	32,879	35,034	36,381	1,347	3.8
Fairs and expositions	3,083	3,178	3,209	31	1.0
Fish and game	11,769	12,407	13,146	739	6.0
Parks and recreation	8,697	15,002	14,656	−346	−2.3
Water resources	10,546	11,120	10,914	−206	−1.9
State Water Rights Board	1,005	1,109	1,128	19	1.7
Reclamation Board	114	570	153	−417	−73.2
Colorado River Board	218	250	256	6	2.4
Other	1,256	1,511	1,540	29	1.9
Totals, State Support	$94,437	$106,357	$107,885	$1,528	1.4
Local Assistance:					
Aid to fairs	3,280	3,099	2,646	−453	−14.6
County agricultural commissioners	172	172	172	–	–
Assistance to cities and counties for lands under contract	–	–	125	125	100.0
Flood control	21,634	19,813	20,668	855	4.3
Beach erosion control	886	–	576	576	100.0
Assistance for sewage transportation facilities	–	1,800	–	−1,800	−100.0
Assistance to small craft harbors	1,927	3,857	4,000	143	3.7
Grants for recreation	–	(7,788)	(11,015)	(3,227)	(41.4)
Grants for soil conservation	94	103	100	−3	−2.9
Totals, Local Assistance	$27,993	$28,844	$28,287	−$557	−1.9
Grand Totals	$122,430	$135,201	$136,172	$971	0.7
State Beach, Park, Recreation and Historical Facilities Bond Fund Program	--	(7,788)	(11,015)	(3,227)	(41.4)

Agriculture

The Department of Agriculture will provide services at the same level as in the current year continuing their systematic elimination of brucellosis, tuberculosis, and other animal diseases. As California's progressive agriculture industry makes use of the latest pesticide chemicals, it is necessary to perform additional tests for pesticide residues. The department's modern, well-equipped laboratories are scheduled to receive additional staff so that they may analyze samples of fruits, vegetables and hay for the increasing number of pesticide residues. The department is also engaged in combating an outbreak of cotton boll weevil and pink bollworm in the Bard Valley Area of Imperial County. An allocation of $40,000 from the Emergency Fund was provided in the current year for insecticidal treatments and to intensify survey activities against this cotton pest.

Additional security staff has beeu provided for the California Museum of Science and Industry. Many of the museum's displays are gifts or are on loan and are virtually irreplaceable. The proposed new staff will improve the 24-hour protection of the museum's facilities.

In accordance with 1965 legislation, the state is embarking upon a new program of assistance for cities and counties for preservation of prime agricultural lands and other lands compatible with agricultural uses. Included in the budget is $125,000 which the Department of Agriculture shall allocate to cities or counties at the rate of $1 per acre per year for those lands under contract as agricultural preserves.

Conservation

The Department of Conservation proposes to expend about $36.5 million in state funds to meet its principal objective which is the conservation, development, and utilization of the state's primary natural assets in the fields of forest, mineral and soil resources.

By far the largest departmental program in terms of expenditures and effort is in the Division of Forestry, which is responsible for protection of 44 million acres of public and private lands in the State of California. To provide this protection the Division of Forestry operates a network of strategically located fire suppression stations and conservation camps. In addition to the facilities currently being operated by the division, 2 new conservation camps, 1 forest fire lookout, and 2 new fire stations are scheduled to be staffed in 1966–67.

Because of the costly conflagrations experienced during the past few years, forestry proposes to initiate an augmeuted program of fire prevention and education in addition to their existing efforts in this area. This augmeutation will increase operating costs about $500,000 during the budget year.

Oak Glen, which was deactivated as a youth conservation and training camp was reopened as a job corps ceuter requiring a permanent staff of 28. This staff will attempt to traiu young men and women between the ages of 16 and 21 to increase their employability. The costs of the Oak Glen Job Corps Conservation Center are completely reimbursed by the federal government.

The rapid expausion of the conservatiou camp and fire control programs in recent years has added considerably to the Division of Forestry's inventory of equipment and real property. However, replacement of much of this essential equipment, which has become excessively worn and obsolete, and maintenance of facilities is beginning to lag seriously. This budget provides funds which will allow the division to catch up on its equipment replacement problems and to improve its maintenance of buildings and ancillary facilities.

The Divisions of Soil Conservation, Oil and Gas, Mines and Geology are continuing their efforts to assist local couservation districts and continuing quadrangle mapping of state geological phenomena, in-

cluding identification of geological hazards, and protection of miueral resources.

Fish and Game

The protection, propagation and management of the state's fish and wildlife resources requires a budget of $13.1 million in state funds for the coming fiscal year. Of the proposed expenditure, $13 million will be funded from the Fish and Game Preservation Fund, $92 thousand from the General Fund and $96 thousand from the Wildlife Restoration Fund.

Provisions are made in the budget for meetiug increased workload being generated by a growing public concern for our fish and wildlife resources. These areas of new and increased workload include investigation of disease, determination of greater enhancement potential, management of the anchovy resource, and updatiug the California Fish aud Wildlife Plan.

One-half of the cost of keeping current the California Fish aud Wildlife Plan will be reimbursed from Federal Land and Water Conservation funds which are available for this purpose.

In 1966–67 the department is proposing the use of General Fund moneys to implement the new federal Cooperative Commercial Fisheries Research and Development Program (Bartlett). This federal cooperative program requires approximately 40 perceut state matchiug funds. The program is designed to build up and restore the commercial fishing industry and to take advantage of the potential opportunities available for the ocean fishery to make a significant contribution to the economy of the state.

Parks and Recreation

The $14.7 million in Support expenditures estimated for 1966–67 reflects the demand for outdoor recreation facilities which has increased with each succeeding year. This is evidenced by the numbers of visitors to our State Parks as well as the number of new small boats being registered by the state.

In 1964, 34.5 million visitors used our parks. By 1965, attendance figures rose by 3.5 million and in 1967 they are estimated to reach 46 million—an increase of 11.5 milliou visitors within a 3-year period.

To meet this demand, Beaches and Parks has initiated au Immediate Public Use program designed to take advantage of much of the currently undeveloped and newly acquired property. It is planned to install interim facilities and provide staff at 20 such sites thereby openiug these areas for recreational use as soon as possible.

Staffing is also provided for 700 additional picnic units, 1,200 permanent campsite units, and over 60,000 acres of outdoor recreation area, development of which will have been completed for public use in 1966–67.

The proposed capital budget for 1966–67 totals $66.5 milliou. This includes $0.9 million for the Immediate Public Use program, $0.9 million for deferred maintenance, $9.2 million for State Water Project recreation facilities, and $6.6 million for other park projects. From the State Beach, Park, Recreational and Historical Facilities Bond Act of 1964, $48.9 million is proposed; $44 million for acquisition, $4.6 million for minimum development, and $0.3 million for project planning. When completed these additional facilities will add 1,344 camp sites and 1,700 picnic sites to the State Park System.

Planning to meet the needs for recreational facilities requires a coordinated statewide view of both available facilities as well as points of greatest unsatisfied recreational demand. To meet this challenge, the department will establish a statewide long-range planning staff responsible for studies, surveys, statistics and loug-range planniug. The departmeut will establish this unit by transferring long-range planuing oriented positions from within the various divisions to a single departmental long-range planning staff.

Recreation demands at the local level are being met in part by $15.1 million in state grants from both the State Beach, Park, Recreation and Historical Facilities Fund and the federal Land and Water Conservation Fuud. Administration of these programs has been assigned to the Division of Recreation.

Recreational boating, for which the Division of Small Craft Harbors must provide facility development and regulation within the state, continues to increase steadily and is expected to double by 1980.

Local assistance for harbor development through grants and loans and allocations is estimated at $7.4 million for 1966–67, or $4.5 million over the 1965–66 level. The principal source of funds for this activity is $4 million transferred from the Motor Vehicle Fuel Fund annually.

Water Resources

The maximum beneficial utilization of California's water is the continuing objective of the Department of Water Resources 1966–67 expenditures program. Work under contract on the California Water Project now represents over 50 percent of the completed project. Work on the Oroville Dam complex is estimated at $86.8 million during 1966–67 while the Tehachapi Division, with its intricate system of tunnels and pumps, is estimated to require a $24.4 million expenditure.

Of particular significance is the start of right-of-way acquisition during 1966–67 for the peripheral canal. To be built in cooperation with the United States Bureau of Reclamatiou, this facility will assure good quality water for the state's water contractors and maximize recreation and fish and wildlife uses in the Sacramento-Sau Joaquin Rivers delta area.

California Water Project expenditures for 1966–67 will total $344 million, an increase of $50 million over the $294 million estimated for 1965–66. The project is still on schedule both as to timing aud financing. General obligation water bonds totaling $100 million will be sold during 1966–67 as well as $230 million in revenue bonds. Interest rates on the water bond issues are continuing well within anticipated levels.

General departmental planning will continue to emphasize investigation of statewide water needs. Planning on the authorized north coast facilities is expanding with project emphasis on conservation, transportation, flood control and recreation.

The 1966–67 Budget contains $350,000 for construction of facilities for distributing to vendor water agencies of water generated by a new enlarged flash

distillation sea water conversion plant to be bnilt near San Diego. This federal facility is being bnilt to replace the desalter at Point Loma which is now serving the United States military forces in Cnba. Construction of the distribution line will enable the state to market the water at a rate snfficient to recover the cost of construction of the facilities and also enable experimentation on the effect of purified water on standard distribution materials.

As part of the continning program for strengthening the supervision of safety of dams function $241,000 is included in additional funds for 1966–67 primarily to provide for more frequent inspection of dams and reservoirs identified as representing a special hazard in terms either of age or population exposure. This increase is a result of a stndy of the entire program undertaken immediately after the Baldwin Hills reservoir failure of December 1963.

State financial assistance for local projects under the Davis-Grunsky Act will continue with loans estimated at $1.7 million and recreation grants planned in the amount of $15.4 million.

The Reclamation Board's flood control program provides for the expenditure of $5.6 million, including $2.1 million for the state's share of the Sacramento River Bank Protection program. The Department of Water Resources portion of the state's local assistance flood control program anticipates expenditures of $15 million in 1966–67.

Corrections—$120,795,000

The protection of society through confinement and rehabilitation of violators of the law is among the oldest of traditional governmental operations. Under California law, all but a few of the individuals confined in the state's correctional institutions will eventually be released. The programs conducted by the Department of Corrections and the California Youth Authority emphasize rehabilitation, with the intent of returning the law violator to society as a productive citizen. With the emphasis on rehabilitation, the programs of these departments are conducted in 2 main areas:

1. Imprisonment, therapy and training
2. Guidance and supervision after release on parole

Table 20

EXPENDITURES FOR YOUTH AND ADULT CORRECTIONS
(In Thousands)

	1964–65 Actual	1965–66 Estimated	1966–67 Proposed	Change from 1965–66 Amount	Change from 1965–66 Pct.
State Support:					
Adult facilities	$67,246	$75,129	$79,434	$4,305	5.7
Youth facilities	28,980	33,141	36,590	3,449	10.4
Other	76	79	84	5	6.3
Totals, State Support	$96,302	$108,349	$116,108	$7,759	7.2
Local Assistance:					
Construction of juvenile homes and camps	716	465	776	311	66.9
Maintenance of juvenile homes and camps	3,069	3,286	3,516	230	7.0
Control of juveniles	45	45	45	–	–
County delinquency prevention commissions	–	–	350	350	100.0
Totals, Local Assistance	$3,830	$3,796	$4,687	$891	23.5
Grand Totals	$100,132	$112,145	$120,795	$8,650	7.7

These departments will operate 23 institutions and 46 conservation camps during the 1966–67 fiscal year. In addition to this, the state will contribute approximately 4.6 million to local communities for the establishment and maintenance of juvenile detention facilities, for delinquency prevention programs, and for the control of juveniles crossing the international border at San Ysidro.

Both secure confinement and successful rehabilitation are crucial elements in providing maximum pnblic protection. It is in these terms, therefore, that the success of this state's correctional system must be measured. Within these guidelines, both the Departments of the Youth Authority and Corrections emphasize community-based treatment programs. In recent years new programs have been established at the community level. They should serve to minimize institutional expansion as well as provide a broad-based community action correctional program, transcending traditional institntional lines and extending correctional services into the local communities.

Department of Corrections

The growth of the Department of Corrections is a reflection of the increase of the state's popnlation rather than an increase in the rate of crime. During the 1966–67 fiscal year, an additional 640-man medium-security facility is scheduled to open at Tehachapi. Preliminary work is also under way in the development of two additional institutions scheduled to open in approximately 1969. The Medical Correctional Institution, with programming similar to that provided by the present medical facility, will be located in southern California. The planned capacity of this facility is 1,600. The Special Security Facility, to be located on grounds adjoining the California Medical Facility, will be a maximum security institution housing inmates serving long sentences as well as those who are habitual criminals. It will have a rated capacity of 1,250 and will be designed to allieviate the overcrowding forecast for the existing facilities by the proposed 1969 activation date.

A substantial effort to curtail the growth of prison population was initiated in 1964–65 through the development and expansion of parole services and other community-based resources. To save the taxpayer the cost of unnecessary institutionalization, as well as to protect the general public, a new and improved basis for parolee supervision was introduced. Under this system, parole caseloads were classified on the basis of (a) violence potential, (b) other community hazards (i.e. narcotics involvement, large-scale embezzlement), (c) parole success expectancy, (d) time in the community with successful adjustment. Prior to release, each potential parolee is evaluated in terms of the criteria outlined above. This "work-unit" program provides for a fnndamental strengthening in parole snpervision, with particular emphasis on parolees with a history of violence, while strnctured caseloads permit the parole agent to give closer attention to the more serious problems.

There are currently more than 5,800 adnlt male felons in the parole work unit program, as well as 6,800 adult male felons under conventional parole supervision. While this program has not been in operation for a long enough time to arrive at final conclusions, it represents an initial step in the develop-

ment of community-based correctional resources, lending emphasis to the needs of the individual parolees as well as the requirements of the society in which he lives and works.

In keeping with the growth and development of community-based correctional resources, the 1965 Legislature enacted legislation permitting the Director of Corrections to place selected inmates in local correctional facilities, permitting them to work outside of these correctional settings during the day. Early results of this program are encouraging and it is anticipated that 18 counties will enter into participating agreements with the department during 1966–67. Since inmates will be expected to pay for their keep as long as they are constructively employed, this program promises the dual benefit of reducing institutional growth, and all the costs entailed therein, as well as permitting selected inmates to return to the community at earlier dates as productive members of society.

With the population of the state constantly rising, many more community possibilities will be investigated and many new programs will continue to be developed. Future programs will be designed to reduce the cost and time of institutionalization, as well as to return the law violator to a productive role in the community in as short a period of time as is possible. In the future, one may look forward to a probable increase in the work furlough program as well as the development of more halfway houses and other improved parole techniques and community-based resources.

The reorganization of San Quentin and Deuel Vocational Institution into "program units" is proposed as a program augmentation for the 1966–67 fiscal year. The structuring of these institutions into functionally based program units will permit the establishment of "therapeutic communities" through which an integrated administrative, custodial, and treatment staff, acting as a functional team, can achieve more favorable results in terms of behavioral responses within the program living unit. The "program unit-therapeutic community" is now employed at the California Institution for Men, the Correctional Training Facility and the Rehabilitation Center. The preliminary results have shown that this kind of organization provides better inmate control, coupled with more meaningful treatment. This in turn will provide the staff with greater insight into the effectiveness of various treatment techniques as well as provide a research feedback system to evaluate and then modify applied treatment concepts. Over a long period of time, this can result in reduced costs due to the evolvement of better techniques as well as "in-depth" treatment which may provide for the release of an inmate to community-based programs in a shorter period of time than at present.

Youth Authority

The department's growth continues to reflect our state's growing population. The budget year will add another 286 boys and girls to our state's average institutional population for a total of 5,681 wards, an increase of 5.3 percent over 1965–66. Wards under parole supervision will average 15,250, an increase of 1,094, or 7.7 percent over the current year estimates. Estimated 1965–66 increases over 1964–65 are estimated at 4.7 percent and 8.7 percent respectively. The department is continuing to develop its community-based treatment potential which was initiated in the Community Treatment and Community Delinquency Control Projects. Not only is this approach proving to be economically feasible, but much more importantly, initial research indicates real improvement in rehabilitative effect.

The violence control demonstration project which provides added parole supervision to reduce violent offenses by parolees is limited to June 30, 1966. A complete evaluation of this project is currently underway. Preliminary data support the request to continue this program for further evaluation and it is so requested in this budget.

In addition to these ongoing efforts to treat the ward in the community, this budget initiates a new thrust in the area of delinquency prevention; to reach the child before a delinquency pattern is established. Funds in the amount of $350,000 are proposed to implement the program contained in Chapter 1342, Statutes of 1965. The program is designed to assist local delinquency prevention commissions in developing imaginative and meaningful efforts to curb delinquency. Proposals will be initiated by the local communities, and those that appear effective will be matched by state funds.

Equally important, the department will be adding professional staff to meet the implementation of the state's new probation subsidy program, a plan to assist counties in the expansion and improvement of probation services. Authorized by the 1965 Legislature, the plan will reimburse counties for new, approved services based on the actual decrease in number of cases referred to state institutions.

In addition to the new provision for delinquency prevention projects discussed above, the state will continue local assistance in the areas of construction of juvenile homes and camps, maintenance of these facilities, and control of unescorted juveniles at the international border in San Diego County. It is estimated that counties will be reimbursed for an average population of 3,265 boys and girls. Also, additional capacity of 299 will be added to provide a total of 2,290 funded under the construction program.

This budget includes $146,000 for program augmentations to provide staff to survey and develop recommendations concerning training needs at the state and local levels in delinquency prevention, probation, juvenile law enforcement, and correctional rehabilitation programs; to permit the reorganization of the O. H. Close, Karl Holton, Fred C. Nelles Schools for Boys and Preston School of Industry to provide a treatment team approach rather than in functional groups by discipline; and to increase custodial control at Fred C. Nelles School for Boys and Los Guilucos School for Girls to cover deficiencies in this area.

The capital outlay program for 1966–67 totals nearly $22 million. The major portion of this is for the construction of central service facilities and 2 institutions for the Southern California Youth Center to be located adjoining the Youth Training School at Ontario. The 2 institutions proposed for construction are a medical-psychiatric institution and a reception center for older boys.

Fiscal Affairs and General Administration—$65,516,000

By any criterion the government of California is an enterprise of major proportion. Differing from management in the private sector of our economy, however, governmental operations necessitate particular prudence and probity in the collection and expenditure of public funds. This is not attributable to any inherent distinction between the management of public funds as distinguished from private moneys but because the public is entitled to the greatest degree of confidence that their tax dollars are being handled in such a way as to assure unquestioned integrity in the collection and disbursements of these resources.

Included within this function are the revenue collecting departments, general management agencies, and associated activities.

Table 21

EXPENDITURES FOR FISCAL AFFAIRS AND GENERAL ADMINISTRATION

(In Thousands)

	1964–65 Actual	1965–66 Estimated	1966–67 Proposed	Change from 1965–66 Amount	Change from 1965–66 Pct.
State Support:					
Control and Management:					
Board of Control	$35	$40	$41	$1	2.5
Controller	4,721	4,862	4,956	94	1.9
Department of Finance	3,101	3,266	4,107	841	25.8
State Lands Division	1,028	1,155	1,411	256	22.2
Department of Housing and Community Development	–	1,007	1,806	799	79.3
Treasurer	435	467	482	15	3.2
General Administration	13,525	14,389	16,718	2,329	16.2
Executive	1,279	1,875	1,872	–3	0.2
Other	–	75	–	–75	–100.0
Subtotal	$24,124	$27,136	$31,393	$4,257	15.7
Tax Collection:					
Board of Equalization	18,556	20,112	20,619	507	2.5
Controller	930	1,035	1,063	28	2.7
Franchise Tax Board	10,984	11,709	12,441	732	6.3
Subtotal	$30,470	$32,856	$34,123	1,267	3.9
Grand Totals	$54,594	$59,992	$65,516	$5,524	9.2

Tax Collection

The major tax collection responsibilities are divided between the State Board of Equalization, Franchise Tax Board and the Office of the State Controller. Increases in tax administration costs are due primarily to (1) the tax changes made by the 1965 Legislature; (2) a staff augmentation of the Board of Equalization's Property Tax Division; (3) a program of increased enforcement for exempt corporations, and; (4) a work measurement and control program in the Franchise Tax Board.

Chapter 2, Statutes of 1965, First Extraordinary Session, provided for more current payments to the state of a portion of the sales tax revenues and extended the definition of the sales and use tax law to include leased personal property and occasional sales of motor vehicles, boats, and aircraft. This new legislation, which became effective August 1, 1965, will require additional funding in the amount of $487.3 thousand in 1965–66 and $482 thousand during 1966–67. While the Board of Equalization has primary responsibility for implementing the changes directed by this legislation, other state agencies will be reimbursed for services performed for the board.

A program augmentation to strengthen the administration of the Board of Equalization's property tax responsibilities and to assure that deficiencies which have occurred in local assessors' offices do not develop within the board is proposed for 1966–67. This program, budgeted at $31,645, will develop stronger local tax assessment procedures and will provide for a more comprehensive review of appraisals made by this agency.

The present enforcement program for exempt corporations does not provide similar coverage to that achieved in the income and corporation taxes. Studies now being conducted indicate there exists serious problems that adversely affect voluntary compliance and state revenues. The expanded program, costing $76,000 will provide for a more complete screening of applications for legal tax exemption and for audit checks for verification of exemption from taxable activities.

The Franchise Tax Board will serve as a pilot department in state government for the establishment of a work measurement and controls program. This study will identify personnel savings, as a result of improvements in operating procedures, specific and applied work standards, and a work measurement reporting system for control of personnel assignment. The costs of this program are $225,900 for the fiscal year 1966–67, $114,400 for 1967–68 and $76,400 annually thereafter. The rate of savings expected to be achieved by the end of the 3-year period is in excess of $1.1 million annually.

The State Controller's Office has been able to absorb significant increases in workload in claim schedules and warrant processing without corresponding increases in staff. This has been made possible through streamlining procedures and more effective use of data processing equipment. Staff increases, based on current and projected workload, are proposed for auditing 1964–65 flood damage claims, the Airport Assistance Program and gas tax allocations to counties. Increased inheritance and gift tax returns also necessitate proposed staff increases.

General Services

This department was created in 1963 to provide centralized services necessary for the operation of state government. These services include physical facilities—planning and development, technical services, property management and administrative services. Significant proposed changes will enable the state to effectively carry out the work currently authorized under the multimillion dollar Bond Acquisition Park Program and effect substantial savings in the state leasing program through improved procedures.

Department of Finance

The Department of Finance has general supervision over the fiscal affairs of the state and in addition it undertakes studies relative to the State Development Plan, coordinates local community planning, evaluates state programs and policies, and serves as a consultative resource to the Governor. Program augmentations are reflected in the Budget Division, Economic Development Agency and the Office of Planning.

The augmentation for the Budget Division is necessary to accomplishing the conversion of the Governor's Budget from the traditional form to a consistent and total implementation of program budgetiug. The Economic Development Agency, reactivated and reorganized under existing law, will be assigned the function

of coordinator between the business community and all state agencies associated with that commuuity. The agency will also do research, prepare reports, aud provide information and local assistance.

The Planning Office, in addition to its on-going programs of local assistance and State Development Plan has become involved in 2 programs proposed for coutinuation in the budget year. Initial steps have been taken to plan the state's role in the development of California's ocean resources and a staff to assist the Governor's Advisory Commission on Ocean Resources is proposed on a permanent basis. The research initiated toward developing information services is proposed for continuation subject to availability of federal funds.

State Lands Division

This division is currently engaged in one of the most extensive programs it has ever undertaken—that of working jointly with the City of Long Beach in the development of what is anticipated to become the second largest oilfield in the United States. Additional staff is proposed to insure the highest level of production and oil revenue over the life of the field. In addition the division proposes to increase its activities in the management of state lands with additional staff for investigation and survey work of existing state lands.

State Personnel Board

A program augmentation is included within the State Personnel Board's budget to work more closely with minority communities to further the employmcut of minority group members. This program will be a positive effort to seek and interest qualified individuals in state careers and is similar to programs initiated by other major governmental and private employers.

Department of Housing and Community Development

The Departmeut of Housing and Commuuity Development was created in 1965. The motivating force in its creation was the acute ueed for housiug for farm laborers, racial miuorities, persons displaced by governmental action and other low income persons. Assistance is provided to governmental agencies and private enterprise regarding the nature and availability of federal assistance for housing and community development and redevelopment.

Duriug the budget year, the program augmentation will provide an expanded division which includes 3 new field offices, each having a specialist in development, finance and technology. The continuing program includes assistance in the enactment and enforcement of adequate building codes, investigating standards, orgauizing rehabilitation and urban renewal programs, supervision of health standards of labor camps, inspection of mobile home parks, and establishing certain standards for mobile home construction.

Secretary of State

The Legislature at the 1965 session provided resources to expand the archival program to include records preservation and display facilities. This program is continued in 1966–67.

The Commission on Voting Machines and Vote Tabulating Devices is charged with the responsibility of examining vote tabulating devices and procedures for their use. Demands on the commission have been increasing as more counties prepare to employ these devices. To meet this workload an executive secretary positiou and funds to reexamine previously certified machines and procedures are included in the Secretary of State's budget.

State Employees' Retirement System

The system, in addition to admiuisteriug funds for retiremeut purposes, provides staff for administration of the state employees health benefits plans. Additional staff is proposed to expaud this program to include the review of carrier claim procedures, and to provide staff for the Medical Advisory Council.

Business and Commerce—$40,445,000

This segment of state government is the departments, boards, and commissious concerned with regulating and licensing busiuess, commercial, professional and occupational enterprises in California. This group of agencies consists of Public Utilities Commission, Department of Professional and Vocational Standards, Department of Alcoholic Beverage Control, Department of Investment, and other smaller boards and commissious.

Table 22

EXPENDITURES FOR BUSINESS AND COMMERCE
(In Thousands)

	1964–65 Actual	1965–66 Estimated	1966–67 Proposed	Change from 1965–66 Amount	Change from 1965–66 Pct.
State Support:					
Public Utilities Commission	$8,896	$9,662	$10,046	$384	4.0
Professional and Vocational Standards	8,200	9,502	9,990	488	5.1
Alcoholic Beverage Control	4,714	4,984	5,030	46	0.9
Investment	11,921	13,953	14,853	900	6.5
Other	323	443	526	83	18.7
Grand Totals	$34,054	$38,544	$40,445	$1,901	4.9

Public Utilities Commission

California's commercial, industrial, and residential growth continues at a rapid pace. This has caused expansion of the state's transportation system, which has been accompanied by new rate and service problems attributable to complexities created by the growth of commerce. As a result, the workload of the Public Utilities Commissiou in the field of ratemaking continues to increase. The business growth is demonstrated in part by the steady rise in the revenues earned by for-hire carriers of freight in California ranging from a total of $405 million in 1950, to more than $770 million in 1960, and to more than $1 billion in 1964.

Activities of the commission in the past, current and budget years include intensive participation in interstate gas proceedings and rate revisions of utilities. The commissiou has interveued in the Permian Basin area rate proceedings of the Federal Power Commission which pertains to setting the price of natural gas at the wellhead on au area basis. In this case the commission has made recommendations which could return as much as $56 million in refunds to gas users of this state, plus a $14 million reduction iu the annual cost of gas to California gas users.

As a result of Public Utilities Commission activities rate reductions made by California utilities during

the past year totaled $78 million, more than double those of the previous year. Increases aggregated $4 million, leaving a net reduction of $74 million as compared with a $30 million net reduction in the previous year.

The data bank program which will permit compilation of rate data by electronic means and provide more timely tariff schedules to the motor carrier operations industry is proceeding on schedule. The pilot study phase has been completed and conversion to a fully operational program is in progress. It is anticipated the conversion phase will be completed by July 31, 1966. The 1966–67 Budget provides a permanent staff for the data bank and plans for it to assume a fully operational posture during the budget year.

The 1966–67 Budget for the commission reflects staff additions to handle two new laws enacted at the 1965 General Session of the Legislature. One of the new laws provides for regulation of intrastate airlines and the other new law provides that the commission administer payments from the State Highway Fund to cities and counties for their share of the cost for maintenance of automatic grade crossing protection devices.

Professional and Vocational Standards

The Department of Professional and Vocational Standards coordinates and supervises the administrative and fiscal affairs of 30 boards, bureaus and commissions as well as 4 departmental divisions. In addition to approximately 2,000 existing positions which consist of board members, permanent employees, and part-time examiners and clerks, 25.3 new positions are included in 1966–67. These additional positions are required to handle increased licensing, regulation and administrative workload in 13 different boards, bureaus and the departmental administration.

Prominent among the current and budget year program changes include 1965 legislation which substantially strengthened the laws administered by the Board of Medical Examiners relating to the practice of medicine.

Another 1965 statute provided for reactivation of the psychiatric technician program. The administrative establishment of sufficient staff during 1965–66 was required to implement this law under the administration of the Board of Vocational Nurse Examiners.

Banking

Since 1961 increasing attention has been directed toward the United States banking system, the relative position of state and federally chartered banks within this system and the relationship of banks to other financial institutions. In 1964 a committee of prominent bankers and public officials was appointed by the Governor to examine the future of banking in California and to map out the directions in which California banks should move to meet new challenges and opportunities. One of the recommendations of the committee was that the Governor establish a commission to review the existing banking laws and regulations of the state, with a view to providing the best possible framework for a banking system geared to an expanding, healthy economy.

Funds are included in this budget to provide such a commission composed of representatives from government, banking and the public to assist the Superintendent of Banks in the review and possible revision of the banking law.

Insurance

During the past year the number of licenses issued to individuals who engage in the insurance business totaled slightly more than 124,000. This is an increase of approximately 6,000 licenses over the previous year. The number of policy complaints originated by policyholders and investigated by the Department of Insurance totaled 12,194 and resulted in recovery of over $2.2 million for policyholders. In the previous year a total of 9,980 policy complaints were handled by the department. Estimates for the current and budget years provide for continued growth in the functions of the Department of Insurance.

The 1966–67 Budget for the department also reflects staff additions to handle four new laws enacted at the 1965 General Session of the Legislature. Two of the new laws pertain to cancellation of automobile liability insurance and related matters which has resulted in a considerable increase in the workload of the department especially in the legal area. The other laws for which additional staff is necessary are related to filings by title insurers of proposed fees and charges for title policies, and the processing of policy forms which must be submitted by insurers.

Real Estate

The total number of real estate licenses issued continued to increase during the past year. As of June 30, 1965, a total of 164,755 licenses were in effect, an all-time high, and an increase of 7 percent over the previous year. There was a similar increase in the number of examinations for licenses. Population growth and urbanization continue and are reflected by increased problems associated with enforcement operations.

The 1966–67 Budget for the Division of Real Estate reflects staff additions to handle workload resulting from four new laws enacted at the 1965 General Session of the Legislature. The new legislation relates to changes in the licensing examinations procedures, classes of licenses and to the regulation of subdivisions.

The 1966–67 Budget includes, for the first time, funds for the payment of claims under the recovery program. Existing statutes provide that a portion of the Real Estate Education, Research and Recovery Fund is available to pay unsatisfied judgments against real estate licensees when the cause of action involves fraud, misrepresentation or deceit.

Corporations

The Division of Corporations is responsible for the protection of the public in the sale of securities and the prevention of fraudulent, usurious or injurious activities under a series of laws which regulate certain companies engaged in the lending or fiduciary-type of business activities.

There has been an increase of 2,645 permits, licenses and orders issued under the Corporate Securities Law along with an increase of 240 licensees regulated under other laws.

Districts Securities Commission

The District Securities Investigation Law of 1965 requires certain districts, formed for the local performance of government or proprietary functions, to obtain approval of the commission prior to issuance of debt obligations. During the past 10 years, the value of funds investigated and supervised by the commission has increased from $83 million to $400 million.

Public Safety—$31,120,000

The category of public safety represents those state agencies concerned with the protection of the public and the maintenance of law and order. Included here are the Disaster Office, the Military Department, the Department of Justice, the Fire Marshal, and the Department of Veterans Affairs.

Disaster Office

Recent disasters—rampages of nature and civil disorders—have proved the need to maintain the Disaster Office in a state of readiness and with the capability to perform the role for which it is responsible: coordination of emergency relief operations. This budget proposes continued support of this agency at substantially the same level as in the current year.

Table 23

EXPENDITURES FOR PUBLIC SAFETY
(In Thousands)

	1964–65 Actual	1965–66 Estimated	1966–67 Proposed	Change from 1965–66 Amount	Change from 1965–66 Pct.
State Support:					
Disaster Office	$1,226	$1,140	$1,138	–$2	–0.2
Fire Marshal	748	898	975	77	8.6
Justice	10,737	13,650	15,434	1,784	13.1
Program for Administration of Criminal Justice	–	–	1,073	1,073	–
Military Department	3,211	4,155	3,569	–586	–14.1
Veterans Affairs	7,030	6,757	7,244	487	7.2
Other	80	87	105	18	20.7
Totals, State Support	$23,032	$26,687	$29,538	$2,851	10.7
Local Assistance:					
County Veterans Service Officers	500	–	–	–	–
Veterans' Housing	–33	–6	–	6	100.0
Peace Officers Standards and Training	790	883	927	44	5.0
County Public Defenders	–	500	600	100	20.0
Workmans compensation for disaster service workers	59	59	55	–4	–6.8
Totals, Local Assistance	$1,316	$1,436	$1,582	$146	10.2
Grand Totals	$24,348	$28,123	$31,120	$2,997	10.7

State Fire Marshal

A change in the financing of some programs, in accordance with new law, is responsible for an apparent increase in the budget for the State Fire Marshal. The programs will actually remain at approximately the same level during the budget year.

Military

The Military Department is responsible for organizing and administering the California National Guard. The National Guard is subject to federal mobilization in time of national emergency, but otherwise is available to the Governor for military support to civil authority in the event of any disaster or internal disorder.

Veterans Affairs

The principal responsibilities of the Department of Veterans Affairs are operating the Veterans Home of California, assisting California veterans in the purchase of homes and farms, and providing financial assistance for the education of qualified dependents of California veterans. Funds in the amount of $175,000 are included in this budget to finance a program authorized by the 1965 Legislature of educational assistance to veterans of the Viet Nam campaign and certain other "cold war" veterans.

An amount of $141,614 is provided in the budget of the Veterans Home to finance a physical medicine program and a medical intensive care unit in the hospital.

Justice

The workload of the Department of Justice continues to increase with growth of the state and its government due to the related increase in the civil and administrative legal problems of state departments, boards and commissions. Condemnation actions of the Reclamation Board and the handling of the 81 inverse condemnation claims totaling in excess of $25 million arising out of the December 1964 and January 1965 floods necessitate additional staff positions.

The most significant change in the budget of the Department of Justice in 1966–67 is in the area of criminal law and enforcement. The number of writs and appeals resulting from recent decisions of the California Supreme Court continue to increase and currently exceed previous estimates. In the past year 4,269 cases were filed compared to the 3,551 cases that were anticipated and 2,771 cases were pending as of June 1965. The current number of filings indicate a further increase in the current and budget years.

The continuing increase in crime has had a corresponding effect on the workload of the Department of Justice in the area of law enforcement. The volume of data and services connected with criminal identification and investigation and the exchange of information with local law enforcement agencies continues upward necessitating an increase in staff.

The 1966–67 Budget also reflects the need to advance the collection and analysis of data on crime and criminal administration by increasing the staff of the criminal statistics program. More information must be made available concerning the crime problem to provide a basis for effectively combating crime. The current criminal statistics program will be expanded to provide a pilot program to establish a continuous accounting record of persons arrested for felony offenses, the establishment of a criminal careers follow-up program which will present information on the results of correctional processes, and the development of a complete county jail report program.

In January 1966, a computer was installed, on a leased basis, in the Sacramento facility as another step was taken in the development of an automatic data processing system.

Administration of Criminal Justice

There is a need to broaden and coordinate the defensive efforts of society against crime. A requirement exists for new programs to initiate more vigorous action toward attainment of this objective. In certain areas it is necessary to develop programs

which transcend the traditional budgetary compartmentalization of state agencies and include participation of agencies at the cities and counties level to achieve a consolidated effort and to generate greater impetus in rendering criminal justice more effective.

To this end, the 1966–67 Budget includes 5 new programs to provide additional aid and assistance for the administration of criminal justice. A total of $1,073,000 is recommended to finance the 5 programs in the budget year.

The first of these programs is the development of a statewide criminal justice information system which includes direct involvement of user personnel at both the state and local levels in the design of the system. The proposed program will require $510,000 in 1966–67.

There also is a need for a program to assist judicial, correctional and law enforcement agencies at the local level that have new ideas or innovations for combating or preventing crime. $250,000 is included in 1966–67 to provide for grants to judicial, correctional and local law enforcement agencies for experimental and demonstration projects related to technological and administrative innovations and projects.

The 1966–67 Budget also includes programs which will permit evaluation and testing of new techniques and equipment for combating crime and which will provide the means for assisting local law enforcement agencies in improving the techniques peace officers use in their relations and associations with the public.

Additional law enforcement liaison units are provided to maintain continuing intelligence and investigative service to control the activities of the more dangerous offenders that have been paroled.

Other Expenditures—$364,885,000

The foregoing 8 functions include all programs and related expenditures that may be logically and reasonably treated as homogeneous components of the state's broad range of responsibilities and operations. Because, however, of the great diversification of activities in which the state is involved financially, certain expenditures cannot be appropriately included within any of the preceding functions. So that the expenditure plan may be reported here comprehensively and in total, programs and the associated costs not reported elsewhere in this section are included here.

In this classification are included the costs of the legislative and judicial branches of California's government; the Department of Employment; the Department of Industrial Relations; the Commission on Manpower, Automation and Technology; Provision for Payment of Principal and Interest on the State's Bonded Debt; Tort Liability Claims; and various other similarly broad items of expense.

Employment

Although the State Department of Employment is supported largely from federal subventions and trust funds and such expenditures are not included in the budget totals, the size and significance of this agency justifies its review here. Program costs which will increase from $859 million in 1965–66 to $950 million in 1966–67 include increases of $75 million in unemployment benefit payments and $11 million in disability insurance benefit payments and $4.4 million in administrative costs.

Table 24

OTHER EXPENDITURES

(In Thousands)

	1964–65 Actual	1965–66 Estimated	1966–67 Proposed	Change from 1965–66 Amount	Change from 1965–66 Pct.
State Support:					
Legislative	$11,925	$12,693	$13,904	$1,211	9.5
Judicial	3,846	4,310	4,584	274	6.4
Industrial Relations	17,374	19,252	20,155	903	4.7
Department of Employment	347	413	418	5	1.2
Miscellaneous	1,087	1,633	2,666	1,033	63.3
Provision for Salary Increases	–	–	48,556	48,556	–
Debt service	31,592	38,937	59,545	20,608	52.9
Reserve for contingencies	–	488	1,000	512	104.9
Data processing equipment	–	85	–	–85	–100.0
Legislative claims	204	101	114	13	12.9
Tort liability claims	381	6,792	600	–6,192	–91.2
Automatic data processing allocations	–	–	1,130	1,130	100.0
Special fund credits for overhead	–6,296	–6,800	–7,200	–400	5.9
Poverty reduction and prevention program	–	–	22,218	22,218	100.0
Estimated unidentified savings	–	–3,000	–4,000	–1,000	–33.3
Productivity savings	–	–	–20,000	–20,000	–
Other	3,878	3,988	4,355	367	9.2
Totals, State Support	$64,338	$78,892	$148,045	$69,153	87.8
Local Assistance:					
Vehicle license fees	$168,351	$183,475	$192,200	$8,725	4.8
Liquor license fees	10,880	11,640	11,700	60	0.5
Highway properties rental	820	750	800	50	6.7
Judges' retirement and salaries	6,485	6,992	7,095	103	1.5
Earthquake and storm damage	1,812	4,896	5,045	149	3.0
Assistance for unanticipated tax loss	–	167	–	–167	–100.0
Totals, Local Assistance	$188,348	$207,920	$216,840	$8,920	4.3
Grand Totals	$252,686	$286,812	$364,885	$78,073	27.2

Of continued significance in the programs of this department are the job training activities being conducted under provisions of the Federal Manpower Development and Training Act in cooperation with the Departments of Education and Industrial Relations. It is estimated that 20,200 trainees will be enrolled in courses under these programs in 1966–67 at an administrative cost to the Department of Employment of $2.2 million. Benefit and training allowances of $7.2 million will be allocated to enrollees in the program. The department will continue to stress the employability of workers, especially youth, through employment counseling, referral for training, and basic education under such programs as the Job Corps, the Neighborhood Youth Corps, and establishment and operation of Youth Opportunity Centers.

Poverty Prevention and Reduction

In accordance with the recommendations contained in the McCone Commission Report on civil disturbances in the Los Angeles area, this budget includes funds for several new programs for improvement of conditions in areas of poverty.

Industrial Relations

The budget for the Department of Industrial Relations which is supported primarily by the General Fund, proposes an increase of $900,000 over expenditures in the current year. The major portion of this increase is attributable to the implementation of Chapter 1513, Statutes of 1965, which provides for the reorganization and strengthening of the Industrial Accident Commission and improvement in the ad-

ministration of the Workmen's Compensation Insurance Program of self-insured employers.

Operating under grants from the Federal Manpower Development and Training Act Program, the Division of Apprenticeship Standards has developed training and retraining programs for unemployed workers. Over 4,500 trainees have been successfully placed under this program during the first half of the 1965–66 fiscal year. This program is expected to continue in 1966–67 making maximum utilization of federal grant funds.

Statewide Federated Information System

In order for the state to make maximum use of the most modern communications systems and electronic data processing equipment in the most economical and efficient manner, a budget of $571,653 is proposed to initiate the development of an integrated information system. Each functional or subject matter area of state operations would have its own information system with the capability to be interconnected where desirable. Federal, city, county, and other local government organizations could choose to be interconnected with the state system on a mutually cooperative basis.

Migrant Master Plan

The Migrant Master Plan provides shelter, day care for children, educational programs for children and adults, and sanitation services for families in the state's migrant farm labor force.

Under a federal grant 1,000 temporary shelter units are being constructed in 1965–66, and an additional 1,500 will be erected in 1966–67. They will be at 19 flash peak labor centers and will have a life expectancy of 5 years. Education for adults is primarily compensatory in nature and includes legal, money management, nutrition, and basic literacy training. Educational services for children are basic elementary, and remedial.

Judicial

Significant increases in the workload of the judiciary has been experienced during the past few years. Indications are that this increase will continue at an even higher rate in the future.

Earthquake and Storm Damage

Within this program a large part of the expenditures proposed for 1966–67 are to repair and restore streets, roads and bridges damaged or destroyed by storm and flood conditions between December 1, 1964, and June 30, 1965. The funds for this purpose are provided by a temporary one cent addition to the gas tax and federal reimbursements, as set forth in Chapter 27, Statutes of 1965.

The budget also reflects proposed expenditures under the provisions of the State Emergency Flood Relief Law to provide assistance to areas heavily hit by storm and flood damage in 1965–66. Appropriate language has been added to the budget bill to extend the provisions of this law to cover the period when these damages occurred.

Salary Increases

For 1966–67 a total of $36 million from the General Fund plus $12.6 million from special funds is recommended for salary adjustments to maintain parity with salaries paid in private industry and other governmental jurisdictions. Only by keeping pace with the salaries paid by other employers is it possible to recruit and retain the competent employees necessary to adequately carry out functions of state government. Despite the large amount proposed, it, in actuality, is merely sound business practice and economy—the huge but hidden costs of turnover in recruiting effort and training soon absorb the apparent savings of lower salary rates.

In recognition of this fact, it is proposed that the cost of the salary increases recommended be offset in part through an anticipated 2 percent increase in productivity estimated to yield savings of $15 million in General Fund and $5 million in special fund expenditures.

Table 25

PERSONNEL MAN-YEARS AND SALARY COSTS

FUNCTION	Actual 1964–65		Estimated 1965–66		Proposed 1966–67		Proposed new positions 1966–67	
	Personnel man-years	Amount	Personnel man-years	Amount	Personnel man-years	Amount	Personnel man-years	Amount
Legislative	195.8	$1,464,383	198.8	$1,501,401	219	$1,688,423	11	$86,148
Judicial	223.7	2,911,424	240.1	3,186,651	242.5	3,334,479	15	194,822
Executive	210.8	1,908,235	266.7	2,411,748	263.7	2,418,966	15	85,408
General Administration	4,971.5	36,172,938	5,124.2	38,132,596	5,356.9	40,727,218	198.9	1,283,246
Agriculture	2,194.4	15,783,051	2,196.6	16,671,428	2,212.5	16,986,210	25.7	172,043
Corrections	9,022.8	67,189,449	9,953.9	75,428,389	10,599.2	80,146,391	1,050.6	5,311,672
Education	1,804.5	13,278,092	2,029.2	15,500,219	2,104.2	16,496,794	241.1	1,908,135
Higher Education	41,400.1	303,235,486	45,846.3	365,330,048	50,030.6	404,483,984	4,598.4	36,984,270
Employment	7,751.5	52,508,548	8,913.7	62,803,588	9,195.6	65,514,081	572	3,625,014
Fiscal Affairs	4,640.5	34,329,093	4,882.3	37,661,992	5,022.4	39,566,940	241.4	1,579,412
Health and Welfare	24,093.6	157,150,748	25,657.3	174,335,290	26,070	181,341,019	573.7	4,211,425
Industrial Relations	1,645.9	14,019,347	1,712.4	15,361,883	1,757	15,899,853	198.2	1,358,270
Justice	1,203.9	9,088,729	1,344.1	10,834,082	1,464.6	12,066,002	160	1,148,532
Military Affairs	373.7	2,429,473	562.2	3,137,787	383.6	2,644,395	9.2	77,461
Regulation and Licensing	3,038.5	24,359,277	3,299.5	27,434,682	3,363.9	28,398,570	106.8	772,562
Resources	9,647.5	72,100,174	10,804.7	84,949,052	11,970.6	94,877,059	1,556.6	10,924,817
Transportation	28,607.7	201,309,892	30,480.2	218,452,077	33,001.8	235,751,640	2,594.3	12,526,839
Veterans Affairs	1,080.3	6,556,009	1,094.7	6,909,418	1,110.7	7,145,450	18	123,354
Miscellaneous	426.9	3,352,367	415.8	3,623,628	441	3,925,422	27	218,408
Unallocated	1,362	8,962,449	1,471	10,177,020	1,723.5	11,695,047	134.5	702,027
Salary Increase Program	–	–	–	–	–	52,004,993	–	[a]
TOTALS	143,895.6	$1,028,109,164	156,493.7	$1,173,842,979	166,533.3	$1,317,112,936	12,347.4	$83,293,865
CLASSIFICATION								
Statutory	279.2	$4,412,855	285.3	$4,665,069	285.1	$4,703,741	–	–
Exempt	864.9	8,605,076	959.6	9,736,932	1,002.8	11,046,025	37	$362,806
Civil Service	101,387.2	712,182,587	109,446.8	794,531,269	115,274.4	883,060,642	7,728.9	46,043,191
State Colleges	14,618.6	110,106,367	16,279	130,781,450	18,167.7	156,367,975	2,373.8	15,964,648
University of California	24,806.2	185,105,007	27,434.8	223,910,822	29,577.6	250,312,930	2,142.8	20,414,608
Other Higher Education Facilities *	1,939.5	7,697,272	2,088.2	10,217,437	2,225.7	11,621,623	64.9	508,612
TOTALS	143,895.6	$1,028,109,164	156,493.7	$1,173,842,979	166,533.3	$1,317,112,936	12,347.4	$83,293,865

* Includes Hastings College of the Law, Auxiliary Enterprises of University of California, Maritime Academy, State College Dormitory Revenue Fund, College Auxiliary Enterprise Fund, and State College Parking Revenue Fund staff.

[a] An estimated amount of $3,218,541 is included within the $52,004,993 for salary increases for new positions.

Schedule 2

COMPARATIVE STATEMENT OF REVENUES FOR THE FISCAL YEARS, 1964-65, 1965-66, AND 1966-67

Sources	Actual 1964-65			Estimated 1965-66			Estimated 1966-67		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
MAJOR TAXES AND LICENSES:									
Alcoholic Beverage Control Taxes and Licenses:									
Excise Tax on Beer and Wine	$12,422,001		$12,422,001	$12,200,000		$12,200,000	$13,000,000		$13,000,000
Excise Tax on Distilled Spirits	53,915,161		53,915,161	57,400,000		57,400,000	61,300,000		61,300,000
Liquor License Fees	3,475,650	$11,120,591	14,596,241	3,400,000	$11,500,000	14,900,000	3,350,000	$11,750,000	15,100,000
Bank and Corporation Taxes	416,246,880		416,246,880	432,000,000		432,000,000	457,000,000		457,000,000
Cigarette Tax	74,476,814		74,476,814	75,500,000		75,500,000	77,200,000		77,200,000
Gift Tax	9,893,537		9,893,537	9,000,000		9,000,000	9,000,000		9,000,000
Horse Racing (Parimutuel) License Fees	38,137,904	9,422,466	47,560,370	40,278,210	8,493,790	48,772,000	41,551,737	8,983,263	50,535,000
Inheritance Tax	104,569,872		104,569,872	112,000,000		112,000,000	123,000,000		123,000,000
Insurance Gross Premiums Tax	95,199,159		95,199,159	102,600,000		102,600,000	111,100,000		111,100,000
Motor Vehicle License Fees ("In Lieu" Tax)	1,045,000	175,230,015	176,275,015		188,000,000	188,000,000		198,000,000	198,000,000
Motor Vehicle Fuel Tax—Gasoline		480,350,023	480,350,023		524,080,000	524,080,000		526,775,000	526,775,000
Use Fuel Tax—Diesel and Liquid Petroleum Gas		28,580,501	28,580,501		31,200,000	31,200,000		31,400,000	31,400,000
Motor Vehicle Registration and Other Fees		177,332,580	177,332,580		197,000,000	197,000,000		218,000,000	218,000,000
Motor Vehicle Transportation Tax		16,030,111	16,030,111		16,800,000	16,800,000		17,600,000	17,600,000
Personal Income Tax—Existing Law	410,109,051		410,109,051	446,000,000		446,000,000	485,000,000		485,000,000
Tax Program							143,000,000		143,000,000
Private Car Tax	2,017,084		2,017,084	2,205,000		2,205,000	2,375,000		2,375,000
Retail Sales and Use Taxes	939,649,277		939,649,277	1,098,500,000		1,098,500,000	1,101,500,000		1,101,500,000
Adjustment of Motor Vehicle Fuel Taxes		33,891,313	33,891,313		−19,380,000	−19,380,000			
TOTALS, MAJOR TAXES AND LICENSES	$2,161,157,390	$931,957,600	$3,093,114,990	$2,391,083,210	$957,693,790	$3,348,777,000	$2,628,376,737	$1,012,508,263	$3,640,885,000
Existing Law							*2,485,376,737*	*1,012,508,263*	*3,497,885,000*
Tax Program							*143,000,000*		*143,000,000*
OTHER REVENUES:									
Architecture Public Building Fund		$1,487,019	$1,487,019		$1,500,000	$1,500,000		$1,500,000	$1,500,000
Corporation-Licenses, Permits and Examination Fees	$3,765,695		3,765,695	$3,955,620		3,955,620	$4,116,006		4,116,006
County Board Charges:									
Mental Hygiene Patients	3,734,941		3,734,941	3,868,192		3,868,192	3,989,632		3,989,632
Youth Authority Wards	1,528,900		1,528,900	1,582,200		1,582,200	1,695,600		1,695,600
Pay Patients Board Charges and Clinic Fees—									
Mental Hygiene Patients	16,340,517		16,340,517	21,868,681		21,868,681	32,850,990		32,850,990
Department of Agriculture	92,364	9,320,935	9,413,299	104,777	9,196,727	9,301,504	109,267	9,302,560	9,411,827
Professional and Vocational Standards	114,927	7,676,383	7,791,310	125,565	9,480,429	9,605,994	125,315	8,188,839	8,314,154
Department of Real Estate		3,069,415	3,069,415		3,500,925	3,500,925		4,180,650	4,180,650
Fishing and Hunting Licenses		11,319,493	11,319,493		11,604,513	11,604,513		11,847,085	11,847,085
Insurance Fund		2,513,492	2,513,492		3,345,000	3,345,000		3,073,000	3,073,000
Interest on Investments (Exclusive of Division of Highways):									
School Fund		−236,394	−236,394		115,606	115,606		118,635	118,635
California Water Fund		677,604	677,604		636,750	636,750		636,750	636,750
Employment Contingent Fund		145,300	145,300		125,000	125,000		165,000	165,000
Pooled Money Investments	23,994,301		23,994,301	26,865,235		26,865,235	26,305,881		26,305,881
Surplus Money Investments		4,866,095	4,866,095		5,190,612	5,190,612		5,248,184	5,248,184
Condemnation Deposit Investments	65,968	103,226	169,194	45,000	109,420	154,420	46,500	110,000	156,500
Other Interest Income	28,008	957,020	985,028	315,770	307,044	622,814	114,772	473,837	588,609
Oil and Gas Revenues:									
Federal Lands		2,646,290	2,646,290		2,100,000	2,100,000		2,100,000	2,100,000
Other	387,588		387,588	395,654		395,654	395,654		395,654

Schedule 2—COMPARATIVE STATEMENT OF REVENUES FOR THE FISCAL YEARS, 1964-65, 1965-66, AND 1966-67—Continued

Sources	Actual 1964–65			Estimated 1965–66			Estimated 1966–67		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
OTHER REVENUES—Continued									
Penalties and Interest on Unemployment Contributions		$1,850,419	$1,850,419		$1,889,500	$1,889,500		$1,944,000	$1,944,000
Penalties on Traffic Violations	$7,267,848		7,267,848	$8,065,609		8,065,609	$8,500,000		8,500,000
Penalties on Criminal Convictions		861,415	861,415		920,004	920,004		993,600	993,600
Revenues Collected by State Lands Division [b]	16,780,486	51,699,462	68,479,948	17,378,261	47,616,139	64,994,400	17,689,789	47,666,711	65,356,500
Revenues Collected by Division of Highways		5,152,608	5,152,608		3,641,000	3,641,000		4,142,000	4,142,000
Secretary of State—Fees and Miscellaneous	1,962,212		1,962,212	2,083,550		2,083,550	2,131,750		2,131,750
State Beach and Park Service Fees				3,626,000		3,626,000	3,941,000		3,941,000
State Fair and Exposition		2,169,423	2,169,423		2,249,623	2,249,623		2,353,343	2,353,343
Transportation Rate Fees		4,091,554	4,091,554		4,040,000	4,040,000		4,140,000	4,140,000
Transfers from Unclaimed Property Fund	849,200		849,200	850,000		850,000	850,000		850,000
Sales of State Property	2,277,919	59,763	2,337,682	1,621,384		1,621,384	1,566,384		1,566,384
Not Otherwise Classified	4,731,637	7,411,572	12,143,209	5,740,024	6,991,647	12,731,671	6,054,124	7,114,175	13,168,299
TOTAL, OTHER REVENUES	$83,922,511	$117,842,094	$201,764,605	$98,491,522	$114,559,939	$213,051,461	$110,482,664	$115,298,369	$225,781,033
TOTALS, REVENUES	$2,245,079,901	$1,049,799,694	$3,294,879,595	$2,489,574,732	$1,072,253,729	$3,561,828,461	$2,738,859,401	$1,127,806,632	$3,866,666,033
Existing Law							*2,595,859,401*	*1,127,806,632*	*3,723,666,033*
Tax Program							*143,000,000*		*143,000,000*
OTHER INCOME—TRANSFERS:									
California Water Fund	$40,644,824	$40,644,824		$36,562,639	—$36,562,639		$36,613,211	—$36,613,211	
School Land Fund [c]				13,525,069		$13,525,069			
Soil Conservation Development Fund [c]				90,099		90,099			
Sacramento State Building Interest and Sinking Fund [c]				1,751,825		1,751,825			
Department of Employment Contingent Fund				5,253,098	—5,253,098				
Central Valley Water Project Construction Fund [c]							2,542,000		$2,542,000
Social Welfare Federal Fund				1,026,143		1,026,143			
TOTAL, OTHER INCOME	$40,644,824	—$40,644,824		$58,208,873	—$41,815,737	$16,393,136	$39,155,211	—$36,613,211	$2,542,000
TOTAL INCOME	$2,285,724,725	$1,009,154,870	$3,294,879,595	$2,547,783,605	$1,030,437,992	$3,578,221,597	$2,778,014,612	$1,091,193,421	$3,869,208,033
Existing Law							*2,635,014,612*		*3,726,208,033*
Tax Program							*143,000,000*		*143,000,000*

[a] Income accrued by action of the State Highway Commission and so reported in State Highway Fund statements. Reversal of this accrual results in the minus amount reported in the 1965–66 fiscal year.
[b] Includes oil royalties and bid bonuses.
[c] Not recorded as a reduction in special funds as these funds are not governmental cost funds and receipts are not included in budget totals.

Schedule 3

COMPARATIVE STATEMENT OF EXPENDITURES BY CHARACTER, FUNCTION, ORGANIZATION UNIT AND FUND FOR FISCAL YEARS 1964-65, 1965-66, AND 1966-67

Organization Unit	Page Reference	Actual 1964–65			Estimated 1965–66			Estimated 1966–67		
		General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
SUPPORT										
Legislative:										
Legislature	1	$10,481,084	$197,319	$10,678,403	$11,757,920	−$353,623	$11,404,297	$11,935,437	$443,109	$12,378,546
Legislative Counsel Bureau	3	769,359		769,359	793,326		793,326	994,305		994,305
Law Revision Commission	4	118,136		118,136	125,257		125,257	151,092		151,092
Commission on Uniform State Laws	6	8,867		8,867	10,050		10,050	10,050		10,050
Contribution to Legislator's Retirement Fund	6	350,000		350,000	360,000		360,000	370,000		370,000
Totals, Legislative		$11,727,446	$197,319	$11,924,765	$13,046,553	−$353,623	$12,692,930	$13,460,884	$443,109	$13,903,993
Judicial:										
Supreme Court	8	$1,094,041		$1,094,041	$1,223,919		$1,223,919	$1,245,131		$1,245,131
Judicial Council	9	535,646		535,646	583,512		583,512	625,176		625,176
Commission on Judicial Qualifications	10	27,232		27,232	36,349		36,349	36,456		36,456
District Court of Appeal, First Appellate District	11	604,103		604,103	642,118		642,118	666,936		666,936
District Court of Appeal, Second Appellate District	12	817,823		817,823	883,339		883,339	923,771		923,771
District Court of Appeal, Third Appellate District	14	223,603		223,603	251,453		251,453	259,105		259,105
District Court of Appeal, Fourth Appellate District	15	249,312		249,312	369,611		369,611	499,693		499,693
District Court of Appeal, Fifth Appellate District	16	211,209		211,209	226,359		226,359	230,527		230,527
Contributions to Judges' Retirement Fund	18	82,796		82,796	93,680		93,680	97,280		97,280
Totals, Judicial		$3,845,765		$3,845,765	$4,310,340		$4,310,340	$4,584,075		$4,584,075
Executive:										
Governor's Office:										
Governor	19	$998,749		$998,749	$1,132,456		$1,132,456	$1,211,219		$1,211,219
Commission on the Los Angeles Riot	20				100,000		100,000			
Office of Consumer Counsel	21	124,722		124,722	92,314		92,314	110,111		110,111
Office of Economic Opportunity	22				267,897		267,897	270,864		270,864
Office of Tourism and Visitor Service	25				100,000		100,000	100,000		100,000
Disaster Office	26	1,225,797		1,225,797	1,140,267		1,140,267	1,137,894		1,137,894
Intergovernmental Council on Urban Growth	28	31,534		31,534	50,000		50,000	50,000		50,000
Lieutenant Governor	29	124,372		124,372	131,985		131,985	130,181		130,181
Totals, Executive		$2,505,174		$2,505,174	$3,014,919		$3,014,919	$3,010,269		$3,010,269

Schedule 3—COMPARATIVE STATEMENT OF EXPENDITURES—Continued

Organization Unit	Page Reference	Actual 1964-65			Estimated 1965-66			Estimated 1966-67		
		General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
SUPPORT—Continued										
ADMINISTRATIVE:										
General Administration:										
State Employees' Retirement System	31	$20,000		$20,000	$20,000		$20,000	$25,000		$25,000
Department of General Services	38	6,289,744		6,289,744	6,936,925		6,936,925	7,557,110		7,557,110
Augmentation of Service Revolving Fund	56	865,185		865,185	581,717		581,717	1,786,644		1,786,644
Office of Architecture and Construction	68		$1,393,913	1,393,913		$1,505,008	1,505,008		$1,512,705	1,512,705
State Exposition and Fair Executive Committee	77	223,079		223,079	109,404		109,404	112,056		112,056
State Fair and Exposition	78	390,402	2,468,943	2,859,345	425,294	2,642,984	3,068,278	543,591	2,552,909	3,096,500
Capital Building and Planning Commission	86	2,443		2,443	2,500		2,500	2,500		2,500
Commission on California State Government Organization and Economy	86	134,702		134,702	56,423		56,423	57,885		57,885
Commission on Interstate Cooperation	87	67,215		67,215	67,735		67,735	67,735		67,735
Personnel Board	88	3,773,718		3,773,718	4,155,516		4,155,516	4,443,963		4,443,963
Secretary of State	97	976,114		976,114	1,063,670		1,063,670	1,263,191		1,263,191
California Heritage Preservation Commission	101	1,811		1,811				1,000		1,000
Totals, General Administration		$12,744,413	$3,862,856	$16,607,269	$13,419,184	$4,147,992	$17,567,176	$15,860,675	$4,065,614	$19,926,289
Agriculture:										
Department of Agriculture	102	$11,536,143	$9,152,581	$20,688,724	$12,421,333	$9,433,800	$21,855,133	$12,537,773	$9,512,226	$22,049,999
District Agricultural Associations	118		3,375,500	3,375,500		3,315,700	3,315,700		3,317,800	3,317,800
Museum of Science and Industry	119	279,588	419,603	699,191	372,905	504,979	877,884	445,934	550,729	996,663
Poultry Improvement Commission	123	75,086	31,769	106,855	75,086	52,310	127,396	75,086	62,852	137,938
Totals, Agriculture		$11,890,817	$12,979,453	$24,870,270	$12,869,324	$13,306,789	$26,176,113	$13,058,793	$13,443,607	$26,502,400
Corrections:										
Youth and Adult Corrections Agency	126	$76,270		$76,270	$79,115		$79,115	$83,743		$83,743
Department of Corrections:										
Program Augmentations	127							247,727		247,727
Departmental Administration	141	8,442,816		8,442,816	10,818,214		10,818,214	11,738,769		11,738,769
Institutions for Felons	152	53,012,037		53,012,037	58,601,683		58,601,683	61,241,648		61,241,648
Nonfelon Narcotic Program: Rehabilitation Center	206	5,791,545		5,791,545	5,708,915		5,708,915	6,205,796		6,205,796
Totals, Department of Corrections		$67,246,398		$67,246,398	$75,128,812		$75,128,812	$79,433,940		$79,433,940
Department of the Youth Authority										
Program Augmentations	210							$145,953		$145,953
Departmental Administration	222	$7,193,046		$7,193,046	$8,858,363		$8,858,363	9,704,427		9,704,427
Northern California Reception Center and Clinic	228	1,706,043		1,706,043	1,819,523		1,819,523	1,858,570		1,858,570
Southern California Reception Center and Clinic	229	1,933,333		1,933,333	2,129,736		2,129,736	2,139,292		2,139,292
Youth Authority Conservation Camps for Boys	231	1,094,801		1,094,801	1,143,033		1,143,033	1,291,602		1,291,602
Fricot Ranch School for Boys	233	1,128,652		1,128,652	1,248,205		1,248,205	1,224,279		1,224,279
Fred C. Nelles School for Boys	234	2,371,896		2,371,896	2,697,672		2,697,672	2,762,260		2,762,260

Schedule 3—COMPARATIVE STATEMENT OF EXPENDITURES—Continued

Organization Unit	Page Reference	Actual 1964–65			Estimated 1965–66			Estimated 1966–67		
		General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
SUPPORT—Continued										
Corrections—Continued										
Department of the Youth Authority—Continued										
Northern California Youth Center	236	68,166		68,166	500,610		500,610	2,432,607		2,432,607
Paso Robles School for Boys	240	2,092,443		2,092,443	2,240,084		2,240,084	2,201,881		2,201,881
Preston School of Industry	242	3,811,755		3,811,755	4,030,025		4,030,025	4,107,548		4,107,548
Youth Training School	243	4,091,771		4,091,771	4,512,000		4,512,000	4,613,602		4,613,602
Los Guilucos School for Girls	245	1,378,449		1,378,449	1,530,012		1,530,012	1,555,235		1,555,235
Ventura School for Girls	246	2,109,142		2,109,142	2,431,514		2,431,514	2,552,572		2,552,572
Totals, Department of the Youth Authority		$28,979,497		$28,979,497	$33,140,777		$33,140,777	$36,589,828		$36,589,828
Totals, Corrections		$96,302,165		$96,302,165	$108,348,704		$108,348,704	$116,107,511		$116,107,511
Education:										
Department of Education:										
National Interstate Compact for Education	250							$7,800		$7,800
Department of Education	251	$3,862,501		$3,862,501	$4,161,364		$4,161,364	4,074,315		4,074,315
National Defense Education	266	322,509		322,509	342,334		342,334	358,196		358,196
Elementary and Secondary Education Act	270				33,286		33,286	46,107		46,107
Special Schools for Physically Handicapped Children:										
School for the Blind	279	772,916		772,916	841,335		841,335	830,831		830,831
School for Cerebral Palsied Children, Northern California	281	508,427		508,427	550,293		550,293	571,473		571,473
School for Cerebral Palsied Children, Southern California	283	481,824		481,824	534,615		534,615	545,177		545,177
California School for the Deaf, Berkeley	284	1,892,330		1,892,330	2,027,596		2,027,596	1,978,079		1,978,079
California School for the Deaf, Riverside	287	2,023,884		2,023,884	2,139,102		2,139,102	2,084,264		2,084,264
Totals, Special Schools		$5,679,381		$5,679,381	$6,092,941		$6,092,941	$6,009,824		$6,009,824
Vocational Education	291	$738,384		$738,384	$747,399		$747,399	$817,096		$817,096
Totals, Department of Education		$10,602,775		$10,602,775	$11,377,324		$11,377,324	$11,313,338		$11,313,338
Division of Libraries	298	$1,227,766		$1,227,766	$1,292,779		$1,292,779	$1,377,237		$1,377,237
State Teachers' Retirement System	303	804,417		804,417	932,124		932,124	1,047,533		1,047,533
Totals, Education		$12,634,958		$12,634,958	$13,602,227		$13,602,227	$13,738,108		$13,738,108

Schedule 3—COMPARATIVE STATEMENT OF EXPENDITURES—Continued

Organization Unit	Page Reference	Actual 1964–65			Estimated 1965–66			Estimated 1966–67		
		General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
SUPPORT—Continued										
Higher Education:										
Co-ordinating Council for Higher Education	306	$329,148		$329,148	$378,966		$378,966	$434,391		$434,391
University of California	312	179,487,353	$255,945	179,743,298	204,189,670	$226,000	204,415,670	231,496,941	$185,000	231,681,941
Hastings College of the Law	345	400,023		400,023	544,799		544,799	629,967		629,967
State Colleges:										
Program Augmentation—Unallocated	347							2,603,608		2,603,608
State Colleges—Continuing Operations	347							2,231,494		2,231,494
Trustees of the California State Colleges	366	1,918,286		1,918,286	2,503,672		2,503,672	3,077,772		3,077,772
Chico State College	375	4,910,565		4,910,565	6,077,535		6,077,535	7,481,801		7,481,801
Fresno State College	382	7,540,246		7,540,246	8,829,639		8,829,639	9,975,346		9,975,346
State College at Fullerton	390	3,500,600		3,500,600	4,836,187		4,836,187	6,209,165		6,209,165
State College at Hayward	397	3,356,513		3,356,513	5,117,151		5,117,151	6,655,701		6,655,701
Humboldt State College	408	3,834,303		3,834,303	4,466,854		4,466,854	5,086,901		5,086,901
State College at Long Beach	416	10,284,747		10,284,747	13,323,097		13,323,097	15,780,273		15,780,273
State College at Los Angeles	423	11,637,019		11,637,019	13,106,638		13,106,638	15,098,807		15,098,807
State College at Palos Verdes	432	394,901		394,901	482,328		482,328	1,308,892		1,308,892
Sacramento State College	437	6,306,973		6,306,973	7,868,171		7,868,171	9,290,344		9,290,344
State College at San Bernardino	446	402,836		402,836	1,076,356		1,076,356	1,800,899		1,800,899
San Diego State College	452	12,190,984		12,190,984	14,075,890		14,075,890	15,923,181		15,923,181
San Fernando Valley State College	461	8,263,297		8,263,297	10,514,695		10,514,695	11,881,701		11,881,701
San Francisco State College	468	11,552,178		11,552,178	13,414,760		13,414,760	14,936,835		14,936,835
San Jose State College	476	15,382,352		15,382,352	17,963,721		17,963,721	18,895,484		18,895,484
Sonoma State College	484	1,370,398		1,370,398	1,725,575		1,725,575	2,487,055		2,487,055
Stanislaus State College	490	875,211		875,211	1,287,054		1,287,054	1,507,070		1,507,070
State Polytechnic College	497	11,872,861		11,872,861	13,819,172		13,819,172	15,878,009		15,878,009
Totals, State Colleges		$115,594,270		$115,594,270	$140,488,495		$140,488,495	$168,110,338		$168,110,338
Maritime Academy	532	$531,205		$531,205	$563,985		$563,985	$561,910		$561,910
State Scholarship Commission	534	3,702,058		3,702,058	3,888,313		3,888,313	5,123,919		5,123,919
Totals, Higher Education		$300,044,057	$255,945	$300,300,002	$350,054,228	$226,000	$350,280,228	$406,357,466	$185,000	$406,542,466
Employment:										
Department of Employment	536		$347,091	$347,091		$413,446	$413,446		$417,990	$417,990
Commission on Manpower, Automation and Technology	550		63,372	63,372					75,000	75,000
Totals, Employment			$410,463	$410,463		$413,446	$413,446		$492,990	$492,990

Schedule 3—COMPARATIVE STATEMENT OF EXPENDITURES—Continued

Organization Unit	Page Reference	Actual 1964–65			Estimated 1965–66			Estimated 1966–67		
		General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
SUPPORT—Continued										
Fiscal Affairs:										
Board of Control	552	$34,527		$34,527	$39,653		$39,653	$41,089		$41,089
State Controller	553	4,720,743	$929,756	5,650,499	4,862,172	$1,034,719	5,896,891	4,955,809	$1,062,545	6,018,354
Board of Equalization	563	16,536,219	2,019,919	18,556,138	17,989,121	2,122,390	20,111,511	18,496,569	2,122,390	20,618,959
Department of Finance	572	2,999,881	101,161	3,101,042	3,146,342	119,500	3,265,842	3,985,366	121,890	4,107,256
State Lands Division	579	1,028,443		1,028,443	1,155,261		1,155,261	1,410,789		1,410,789
Franchise Tax Board	585	10,984,185		10,984,185	11,709,358		11,709,358	12,440,966		12,440,966
Department of Housing and Community Development	590				1,007,206		1,007,206	1,806,383		1,806,383
State Treasurer	593	435,233		435,233	467,312		467,312	481,665		481,665
Augmentation of General Obligation Bond Expense Revolving Fund	593				75,000		75,000			
Totals, Fiscal Affairs		$36,739,231	$3,050,836	$39,790,067	$40,451,425	$3,276,609	$43,728,034	$43,618,636	$3,306,825	$46,925,461
Health and Welfare:										
Health and Welfare Agency	596	$66,169		$66,169	$171,414		$171,414	$203,989		$203,989
Citizens' Advisory Committee on Aging	599	73,678		73,678	80,171		80,171	124,722		124,722
Office of Atomic Energy Development and Radiation Protection	601	43,597		43,597	53,162		53,162	55,253		55,253
Study Commission on Mental Retardation	603	38,453		38,453						
Department of Mental Hygiene:										
Program Augmentations	604							1,387,615		1,387,615
Departmental Administration	612	14,903,644		14,903,644	19,303,911		19,303,911	17,712,878		17,712,878
Neuropsychiatric Institutes	627	7,440,215		7,440,215	8,027,113		8,027,113	8,174,088		8,174,088
Hospitals for Mentally Ill	629	108,882,127		108,882,127	118,179,680		118,179,680	122,041,272		122,041,272
Hospitals for Mentally Retarded	635	42,523,196		42,523,196	47,285,439		47,285,439	48,585,745		48,585,745
Totals, Department of Mental Hygiene		$173,749,182		$173,749,182	$192,796,143		$192,796,143	$197,901,598		$197,901,598
Department of Public Health	638	$11,586,330		$11,586,330	$13,302,308		$13,302,308	$12,832,946		$12,832,946
Totals, Department of Public Health		$11,586,330		$11,586,330	$13,302,308		$13,302,308	$12,832,946		$12,832,946
Department of Rehabilitation:										
General Activities	665	$4,875,000		$4,875,000	$5,136,078		$5,136,078	$3,836,775		$3,836,775
Industries for the Blind	684	362,841		362,841	378,634		378,634	382,032		382,032
Orientation Center for the Blind	688	126,839		126,839	114,701		114,701	80,007		80,007
Totals, Department of Rehabilitation		$5,364,680		$5,364,680	$5,629,413		$5,629,413	$4,298,814		$4,298,814
Department of Social Welfare	690	$4,926,343		$4,926,343	$5,842,815		$5,842,815	$5,911,732		$5,911,732
Totals, Health and Welfare		$195,848,432		$195,848,432	$217,875,426		$217,875,426	$221,329,054		$221,329,054

Schedule 3—COMPARATIVE STATEMENT OF EXPENDITURES—Continued

Organization Unit	Page Reference	Actual 1964–65			Estimated 1965–66			Estimated 1966–67		
		General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
SUPPORT—Continued										
Industrial Relations:										
Department of Industrial Relations	698	$17,330,590	$43,270	$17,373,860	$19,203,047	$48,507	$19,251,554	$20,098,976	$55,963	$20,154,939
State Fire Marshal	710	617,511	130,740	748,251	792,712	135,415	898,127	839,247	135,415	974,662
Workmen's Compensation Study Commission	712	57,908		57,998	300		300			
Totals, Industrial Relations		$18,906,909	$174,010	$18,180,019	$19,966,059	$183,922	$20,149,981	$20,938,223	$191,378	$21,129,601
Justice:										
Department of Justice	713	$10,739,525		$10,736,525	$13,649,639		$13,649,639	$15,434,376		$15,434,376
Commission on Peace Officer Standards and Training	726		$80,147	80,147		$87,474	87,474		$105,344	105,344
Program for Administration of Criminal Justice	727							1,073,000		1,073,090
Totals, Justice		$10,736,525	$80,147	$10,816,672	$13,949,639	$87,474	$13,737,113	$19,507,376	$105,344	$16,612,720
Military Affairs:										
Military Department	729	$3,211,312		$3,211,312	$4,154,969		$4,154,969	$3,569,080		$3,569,080
Regulation and Licensing:										
Department of Alcoholic Beverage Control	735	$4,593,357		$4,593,357	$4,856,274		$4,856,274	$4,902,146		$4,902,146
Alcoholic Beverage Control Appeals Board	737	121,061		121,061	127,645		127,945	127,966		127,966
Districts Securities Commission	738	78,322		78,322	190,227		199,227	254,448		254,448
Horse Racing Board	740		$214,561	214,561		$224,395	224,395		$230,282	239,282
Department of Investment:										
Banking Department	742		1,048,461	1,048,461		1,215,101	1,215,101		1,329,626	1,329,626
Division of Corporations	744	2,968,323		2,968,323	3,295,918		3,295,918	3,433,785		3,433,785
Department of Insurance	746	590,000	2,566,190	3,066,190	110,090	3,375,855	3,485,855	112,390	3,591,553	3,703,853
Division of Real Estate	751		3,063,188	3,063,188		3,510,585	3,510,585		3,794,179	3,794,179
Division of Savings and Loan	755		1,775,238	1,775,238		2,445,381	2,445,381		2,591,870	2,591,870
Totals, Department of Investment		$3,468,323	$8,453,077	$11,921,490	$3,405,918	$10,546,922	$13,952,840	$3,546,085	$11,307,228	$14,853,313
Board of Pilot Commissioners for Harbor of San Diego	757	$950		$950	$1,375		$1,375	$1,375		$1,375
Board of Pilot Commissioners for Bays of San Francisco, San Pablo, and Suisun	757		$28,669	28,669		$26,847	26,847		$30,703	30,703
Department of Professional and Vocational Standards:										
Board of Accountancy	765		343,688	343,688		373,765	373,765		385,383	385,383
Board of Architectural Examiners	767		129,755	129,755		189,915	186,915		167,188	167,188
Athletic Commission	769	165,354		165,354	181,098		181,998	182,617		182,617
Board of Barber Examiners	770		285,909	285,909		351,887	351,887		358,593	358,593
Cemetery Board	771		66,547	66,547		74,686	74,686		74,966	74,996
Board of Chiropractic Examiners	773		110,071	110,071		111,037	111,037		112,911	112,911
Board of Registration for Civil and Professional Engineers	774		452,029	452,029		533,706	533,706		594,798	594,798

Schedule 3—COMPARATIVE STATEMENT OF EXPENDITURES—Continued

Organization Unit	Page Reference	Actual 1964-65			Estimated 1965-66			Estimated 1966-67		
		General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
SUPPORT—Continued										
Regulation and Licensing—Continued										
Department of Professional and Vocational Standards—Continued										
Collection Agency Licensing Bureau	776		$231,403	$231,403		$168,929	$168,929		$172,325	$172,325
Contractors' License Board	777		1,803,217	1,803,217		2,177,011	2,177,011		2,181,956	2,181,956
Board of Cosmetology	779		572,938	572,938		646,056	646,056		697,034	697,034
Board of Dental Examiners	781		155,067	155,067		189,121	189,121		178,398	178,398
Board of Dry Cleaners	782		310,719	310,719		364,672	364,672		373,598	373,598
Bureau of Electronic Repair Dealer Registration	784		202,459	202,459		261,777	261,777		266,478	266,478
Board of Funeral Directors and Embalmers	786		92,196	92,196		101,510	101,510		104,991	104,991
Bureau of Furniture and Bedding Inspection	787		593,192	593,192		644,217	644,217		672,494	672,494
Board of Guide Dogs for the Blind	789	$2,443		2,443	$2,439		2,439	$3,101		3,101
Board of Landscape Architects	790		26,898	26,898		29,516	29,516		29,113	29,113
Marriage Counselors	792		3,650	3,650		12,743	12,743		10,318	10,318
Board of Medical Examiners	793		693,433	693,433		960,901	960,901		1,221,846	1,221,846
Board of Nursing Education and Nurse Registration	796		537,104	537,104		583,561	583,561		630,920	630,920
Board of Optometry	798		66,588	66,588		69,275	69,275		69,792	69,792
Board of Osteopathic Examiners	799		24,744	24,744		14,402	14,402		11,010	11,010
Board of Pharmacy	801		465,092	465,092		509,189	509,189		507,318	507,318
Bureau of Private Investigators and Adjusters	802		119,040	119,040		118,081	118,081		119,282	119,282
Certified Shorthand Reporters Board	804		30,261	30,261		32,313	32,313		33,693	33,693
Board of Social Work Examiners	805		30,088	30,088		30,926	30,926		31,480	31,480
Structural Pest Control Board	806		468,094	468,094		488,245	488,245		493,580	493,580
Board of Examiners in Veterinary Medicine	808		52,474	52,474		53,678	53,678		53,525	53,525
Board of Vocational Nurse Examiners	810		142,723	142,723		201,488	201,488		222,390	222,390
Yacht and Ship Brokers Commission	812		23,998	23,998		28,543	28,543		29,205	29,205
Totals, Department of Professional and Vocational Standards		$167,797	$8,032,477	$8,200,274	$183,447	$9,318,150	$9,501,597	$185,718	$9,804,585	$9,990,303
Public Utilities Commission	814	$4,595,501	$4,300,368	$8,895,869	$5,030,337	$4,632,088	$9,662,425	$5,343,349	$4,702,962	$10,046,311
Totals, Regulation and Licensing		$13,025,311	$21,029,152	$34,054,463	$13,795,223	$24,748,402	$38,543,625	$14,361,087	$26,084,760	$40,445,847
Resources:										
Resources Agency	824	$159,717		$159,717	$161,163		$161,163	$163,967		$163,967
Department of Conservation	826	31,870,080	$1,009,249	32,879,329	33,961,019	$1,073,448	35,034,467	35,269,646	$1,111,205	36,380,851
Department of Fish and Game	848		11,593,493	11,593,493		12,216,618	12,216,618	92,000	12,834,281	12,926,281
Marine Research Committee	878		87,900	87,900		94,811	94,811		123,500	123,500
Wildlife Conservation Board	879		87,866	87,866		95,806	95,806		96,562	96,562
Department of Parks and Recreation	880	8,697,206		8,697,206	15,002,419		15,002,419	14,655,676		14,655,676
Department of Water Resources	893	10,469,647	75,865	10,545,512	11,119,888		11,119,888	10,914,147		10,914,147
State Water Rights Board	952	1,005,073		1,005,073	1,109,102		1,109,102	1,127,667		1,127,667
Reclamation Board	954	113,482		113,482	570,364		570,364	153,390		153,390
Colorado River Board	956	218,218		218,218	249,601		249,601	256,319		256,319
Colorado River Boundary Commission	957	3,316		3,316	7,783		7,783			

Schedule 3—COMPARATIVE STATEMENT OF EXPENDITURES—Continued

Organization Unit	Page Reference	Actual 1964-65			Estimated 1965-66			Estimated 1966-67		
		General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
SUPPORT—Continued										
Resources—Continued										
Water Quality Control Board	958	$966,008		$966,008	$1,106,993		$1,106,993	$1,082,336		$1,082,336
Goose Lake Compact Commission	962							1,800		1,800
California Advisory Committee	962				1,500		1,500	3,000		3,000
Klamath River Compact Commission	863	4,627		4,627				9,210		9,210
Lake Tahoe Joint Study Committee	964				20,000		20,000	20,000		20,000
California-Nevada Interstate Compact Commission	965	74,048		74,048	29,082		29,082	19,928		19,928
San Francisco Bay Conservation Study Commission	966	48,531		48,531						
San Francisco Bay Conservation and Development Commission	967				184,450		184,450	239,953		239,953
Totals, Resources		$53,629,953	$12,854,373	$66,484,326	$63,523,364	$13,480,683	$77,004,047	$64,009,039	$14,165,548	$78,174,587
Transportation:										
Transportation Agency	968		$62,255	$62,255		$82,558	$82,558		$84,557	$84,557
Department of the California Highway Patrol	969		44,483,120	44,483,120		56,123,198	56,123,198		70,839,285	70,839,285
Department of Motor Vehicles	977		40,307,418	40,307,418		45,407,325	45,407,325		50,210,967	50,210,967
Department of Public Works	987		75,011,368	75,011,368		79,619,374	79,619,374		81,898,529	81,898,529
Division of Aeronautics	1000	126,952	15,000	141,952	$30,512	154,237	184,749		196,811	196,811
Totals, Transportation		$126,952	$159,879,161	$160,006,113	$30,512	$181,386,692	$181,417,204		$203,230,149	$203,230,149
Veterans Affairs:										
Department of Veterans Affairs:										
General Activities	1002	$3,176,451		$3,176,451	$2,604,545		$2,604,545	$2,795,747		$2,795,747
Veterans' Home of California	1007	3,846,467		3,846,467	4,143,946		4,143,946	4,441,298		4,441,298
Woman's Relief Corps Home	1010	3,600		3,600	4,900		4,900	3,900		3,900
United Spanish War Veterans Commission	1010	3,227		3,227	3,400		3,400	3,400		3,400
Totals, Veterans Affairs		$7,029,745		$7,029,745	$6,756,791		$6,756,791	$7,244,345		$7,244,345
Miscellaneous:										
Advisory Commission on Indian Affairs	1011	$27,748		$27,748	$33,139		$33,139	$45,201		$45,201
Advisory Commission on the Status of Women	1013				33,848		33,848	45,395		45,395
California Arts Commission	1014	93,979		93,979	156,181		156,181	157,128		157,128
Commission of the Californias	1016	3,678		3,678	10,000		10,000	10,000		10,000
Board of Commissioners for Humboldt Bay	1017	2,765		2,765	2,800		2,800	2,800		2,800
Personal Services Not Elsewhere Reported	1018	834,551		834,551	952,700		952,700	1,129,600		1,129,600
Expenses of Presidential Electors	1019	1,499		1,499						
Refunds of Taxes, Licenses, and Other Fees	1019	24,703		24,703	20,000		20,000	20,000		20,000
Statewide Federated Information System	1022							571,653		571,653
World Trade Authorities Coordinating Council	1024				141,131		141,131	197,136		197,136

Schedule 3—COMPARATIVE STATEMENT OF EXPENDITURES—Continued

Organization Unit	Page Reference	Actual 1964-65			Estimated 1965-66			Estimated 1966-67		
		General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
SUPPORT—Continued										
Miscellaneous—Continued										
San Francisco World Trade Center Authority	1025	87,964		87,964	75,626		75,620	78,410		78,410
Southern California World Trade Center Authority	1027	9,957		9,957	45,194		45,194	51,850		51,850
Migrant Master Plan	1028				162,008		162,008	357,130		357,130
Totals, Miscellaneous		$1,086,844		$1,086,844	$1,632,627		$1,632,627	$2,666,303		$2,666,303
Debt Service:										
Bond Interest and Redemption	1029	$30,454,111		$30,454,111	$37,174,407		$37,174,407	$50,821,025		$50,821,025
Payment of Interest on General Fund Loans	1031	1,138,356		1,138,356	1,762,399		1,702,399	8,724,114		8,724,114
Totals, Debt Service		$31,592,467		$31,592,467	$38,936,806		$38,936,806	$59,545,139		$59,545,139
Unallocated:										
Provision for Salary Increases	1032							$36,004,482	$12,551,060	$48,555,548
Reserve for Contingencies	1035				$487,515		$487,515	1,000,000		1,000,000
Data Processing Equipment	1042				84,683		84,683			
Automatic Data Processing Allocations	1043							836,326	293,708	1,130,034
Tort Liability Claims	1048	$380,529		$380,529	6,792,205		6,792,205	600,000		600,000
Legislative Claims	1049	135,724	$68,642	204,366	82,966	$18,199	101,165	63,124	50,500	113,630
Workmen's Compensation Benefits for State Employees	1050	3,013,039		3,013,039	3,160,000		3,160,000	3,380,000		3,380,000
Workmen's Compensation Benefits for Subsequent Injuries	1052	743,613		743,613	828,000		828,000	900,000		900,000
Poverty Reduction and Prevention Program	1052							20,318,300	1,900,000	22,218,300
Totals, Unallocated		$4,272,905	$68,642	$4,341,547	$11,435,369	$18,199	$11,453,568	$63,102,232	$14,795,280	$77,897,512
Credits to General Fund for Overhead Services Charged to Agencies Supported from Special Funds		−$6,295,575		−$6,295,575	−$6,800,000		−$6,800,000	−$7,200,000		−$7,200,000
Estimated Unidentifiable Savings					−3,000,000		−3,000,000	−4,000,000		−4,000,000
Increased Productivity Savings								−15,000,000	−5,000,000	−20,000,000
TOTALS, SUPPORT		$820,704,906	$214,842,357	$1,035,547,203	$941,073,689	$240,922,585	$1,181,990,274	$1,076,808,295	$275,509,004	$1,352,377,899

Schedule 3—COMPARATIVE STATEMENT OF EXPENDITURES—Continued

Organization Unit	Page Reference	Actual 1964–65			Estimated 1965–66			Estimated 1966–67		
		General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
LOCAL ASSISTANCE										
SUBVENTIONS:										
Agriculture:										
Assistance to County Agricultural Fairs and Citrus Fruit Fairs	1053		$3,280,258	$3,280,258		$3,098,950	$3,098,950		$2,646,200	$2,646,200
Salaries of County Agricultural Commissioners	1054	$171,364		171,364	$171,556		171,556	$171,600		171,600
Assistance to Cities and Counties for land under contract	1054							125,000		125,000
Totals, Agriculture		$171,364	$3,280,258	$3,451,622	$171,556	$3,098,950	$3,270,506	$296,600	$2,646,200	$2,942,800
Corrections:										
Assistance to Counties for Construction of Juvenile Homes and Camps	1055	$716,021		$716,021	$465,400		$465,400	$775,800		$775,800
Assistance to Counties for Maintenance of Juvenile Homes and Camps	1056	3,069,187		3,069,187	3,286,000		3,286,000	3,516,396		3,516,396
Assistance for Control of Juveniles	1056	44,555		44,555	44,555		44,555	45,500		45,500
Assistance to County Delinquency Prevention Commissions	1057							350,000		350,000
Totals, Corrections		$3,829,763		$3,829,763	$3,795,955		$3,795,955	$4,687,696		$4,687,696
Education:										
Apportionments for Public Schools	1059	$934,384,205	$3,016,040	$937,400,245	$1,025,387,647	$2,574,091	$1,027,961,738	$1,091,103,290	$2,550,000	$1,093,653,290
Compensatory Education	1063				966,714		966,714	953,893		953,893
Junior College Assistance	1064	420,377		420,377	116,428		116,428			
Children's Centers	1064	6,413,688		6,413,688	7,318,895		7,318,895	7,759,948		7,759,948
Contributions to Teachers' Retirement Fund	1065	52,513,029		52,513,029	59,750,000		59,750,000	61,000,000		61,000,000
Grants to Teachers of Physically Handicapped Minors	1067	54,299		54,299	5,701		5,701			
Financial Assistance to Public Schools	1068	58,307		58,307						
Debt Service on Public School Building Bonds	1068	45,411,436		45,411,436	50,505,362		50,505,362	51,661,450		51,661,450
Free Textbooks	1072	11,980,511		11,980,511	7,797,039		7,797,039	15,000,000		15,000,000
Assistance to Public Libraries	1074	798,509		798,509	801,490		801,490	800,000		800,000
School Building Construction	1076		42,400	42,400		632,000	632,000		160,830	160,830
Vocational Education—Reimbursements to School Districts	1077	230,271		230,271	230,271		230,271	1,830,271		1,830,271
Totals, Education		$1,052,264,632	$3,058,440	$1,055,323,072	$1,152,879,547	$3,206,091	$1,156,085,638	$1,230,108,852	$2,710,830	$1,232,819,682
Health and Welfare:										
Medical and Related Services Cost Increase	1079							$1,877,830		$1,877,830
Mental Hygiene:										
Assistance to Local Agencies for Mental Health Services	1080	$9,749,845		$9,749,845	$14,336,873		$14,336,873	18,000,733		18,000,733

Schedule 3—COMPARATIVE STATEMENT OF EXPENDITURES—Continued

Organization Unit	Page Reference	Actual 1964–65			Estimated 1965–66			Estimated 1966–67		
		General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
LOCAL ASSISTANCE—Continued										
SUBVENTIONS—Continued										
Health and Welfare—Continued										
Public Health:										
Assistance to Counties for Care of Crippled Children	1091	$8,611,305		$8,611,305	$9,073,104		$9,073,104	$9,519,610		$9,519,610
Assistance to Counties for Tuberculosis Sanatoria	1092	3,317,205		3,317,205	3,411,198		3,411,198	3,168,857		3,168,857
Assistance to Counties without Local Health Departments	1093	479,253		479,253	486,709		486,709	515,463		515,463
Assistance to Local Health Departments	1094	4,363,211		4,363,211	4,499,729		4,499,729	4,605,777		4,605,777
Assistance to Counties for Gnat Control	1094	50,000		50,000	50,000		50,000	50,000		50,000
Assistance to Counties for Mosquito Control	1095	125,317		125,317						
Assistance to Counties for Treatment of Physically Handicapped Children	1095	1,627,124		1,627,124	2,016,850		2,016,850	2,209,850		2,209,850
Assistance to Local Agencies for Alcoholism Programs	1096							1,867,092		1,867,092
Assistance to Local Agencies for Mental Retardation Services	1096							1,513,000		1,513,000
Assistance to Local and Nonprofit Agencies for Hospital Construction	1097	10,967,015		10,967,015	18,369,995		18,369,995	18,863,865		18,863,865
Totals, Public Health		$29,540,430		$29,540,430	$37,907,585		$37,907,585	$42,313,514		$42,313,514
Social Welfare:										
Public Assistance Programs:										
Aid to Blind	1103	$10,515,482		$10,515,482	$9,070,000		$9,070,000	$7,022,900		$7,022,900
Aid to Potentially Self-Supporting Blind	1105	225,356		225,356	109,900		109,900	394,700		394,700
Aid to Disabled	1107	44,892,104		44,892,104	57,368,000		57,368,000	59,038,700		59,038,700
Aid to Families with Dependent Children	1109	116,035,147		116,035,147	128,926,700		128,926,700	136,297,800		136,297,800
Old Age Security	1111	163,329,483		163,329,483	157,224,300		157,224,300	149,444,700		149,444,700
Medical Assistance for the Aged	1111	27,304,414		27,304,414	19,980,800		19,980,800			
Aid to Victims of Crimes of Violence	1112				67,500		67,500	67,500		67,500
General Assistance	1112	166,859		166,859						
Total, Public Assistance Programs		$362,468,845		$362,468,845	$372,747,200		$372,747,200	$352,266,300		$352,266,300
Public Assistance Program Savings	1113							−5,000,000		−5,000,000
Net Totals, Public Assistance Programs		$362,468,845		$362,468,845	$372,747,200		$372,747,200	$347,266,300		$347,266,300
Special Social Service Programs	1115	$7,762,350		$7,762,350	$10,889,977		$10,889,977	$12,761,968		$12,761,968
Totals, Social Welfare		$370,231,195		$370,231,195	$383,637,177		$383,637,177	$360,028,268		$360,028,268
Medical Assistance Program	1131				$53,236,900		$53,236,900	$151,920,700		$151,920,700
Totals, Health and Welfare		$409,521,470		$409,521,470	$489,118,535		$489,118,535	$574,141,045		$574,141,045

Schedule 3—COMPARATIVE STATEMENT OF EXPENDITURES—Continued

Organization Unit	Page Reference	Actual 1964–65			Estimated 1965–66			Estimated 1966–67		
		General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
LOCAL ASSISTANCE—Continued										
SUBVENTIONS—Continued										
Resources:										
Flood Control:										
Department of Water Resources Projects	1133	$13,438,636		$13,438,636	$13,352,698		$13,352,698	$15,000,000		$15,000,000
Reclamation Board Projects	1133	8,195,722		8,195,722	6,459,837		6,459,837	5,667,655		5,667,655
Totals, Flood Control		$21,634,358		$21,634,358	$19,812,535		$19,812,535	$20,667,655		$20,667,655
Beach Erosion Control	1137	$886,107		$886,107				$576,475		$576,475
Assistance for Sewage Transportation Facilities	1138				1,800,000		1,800,000			
Grants to Local Governments for Recreation[a]	1139					[a]($7,787,566)	[a](7,787,566)		[a]($11,015,410)	[a](11,015,410)
State Financial Assistance to Local Agencies for Small Craft Harbors	1145	−3,325	$1,930,086	1,926,761	−142,952	4,000,000	3,857,048		4,000,000	4,000,000
Grants to Soil Conservation Districts	1152	93,997		93,997	103,160		103,160	100,400		100,400
Totals, Resources		$22,611,137	$1,930,086	$24,541,223	$21,572,743	$4,000,000 [a](7,787,566)	$25,572,743 [a](7,787,566)	$21,344,530	$4,000,000 [a](11,015,410)	$25,344,530 [a](11,015,410)
Transportation:										
Airport Assistance	1155		$350,000	$350,000		$833,222	$833,222		$1,114,927	$1,114,927
Local Roads and Highways	1156		7,502,971	7,502,971		8,671,139	8,671,139		7,997,700	7,997,700
Grade Crossing Protection Works	1157		5,200,378	5,200,378		5,625,195	5,625,195		5,800,000	5,800,000
Totals, Transportation Agency			$13,053,349	$13,053,349		$15,129,556	$15,129,556		$14,912,627	$14,912,627
Other Purposes:										
Salaries of Superior Court Judges	1158	$5,404,230		$5,404,230	$5,761,118		$5,761,118	$5,851,375		$5,851,375
Contributions to Judges' Retirement Fund	1159	1,081,140		1,081,140	1,230,560		1,230,560	1,244,013		1,244,013
County Veterans Service Officers	1160	499,799		499,799						
Workmen's Compensation for Disaster Service Workers	1160	58,943		58,943	59,000		59,000	55,000		55,000
Assistance to Cities and Counties for Peace Officers' Standards and Training	1161		$790,468	790,468		$882,800	882,800		$926,800	926,800
Assistance to Counties for Public Defenders	1161				500,000		500,000	600,000		600,000
Storm and Flood Damage Repair	1162	69,294	1,851,580	1,920,874	22,574	4,984,000	5,006,574	733,522	4,423,478	5,157,000
Earthquake Damage Repair	1164	−109,120		−109,120	−110,426		−110,426	−111,761		−111,761
Veterans' Housing	1164	−32,850		−32,850	−6,000		−6,000			
Assistance for unanticipated tax loss	1165					166,995	166,995			
Totals, Other Purposes		$6,971,436	$2,642,048	$9,613,484	$7,456,826	$6,033,795	$13,490,621	$8,372,149	$5,350,278	$13,722,427
TOTALS, SUBVENTIONS		$1,495,369,802	$23,964,181	$1,519,333,983	$1,674,995,162	$31,468,392 [a](7,787,566)	$1,706,463,554 [a](7,787,566)	$1,838,950,872	$29,619,935 [a](11,015,410)	$1,868,570,807 [a](11,015,410)

[a] From the State Beach, Park, Recreational and Historical Facilities Fund.

Schedule 3—COMPARATIVE STATEMENT OF EXPENDITURES—Continued

Organization Unit	Page Reference	Actual 1964–65			Estimated 1965–66			Estimated 1966–67		
		General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
SHARED REVENUES:										
For General Government:										
Apportionment of Liquor License Fees	1166		$10,879,721	$10,879,721		$11,640,069	$11,640,069		$11,700,000	$11,700,000
Apportionment of Motor Vehicle License Fees	1166		168,350,822	168,350,822		183,475,000	183,475,000		192,200,000	192,200,000
Apportionment of Highway Properties Rental Receipts	1166		819,800	819,800		750,000	750,000		800,000	800,000
Totals, General Government			$180,050,343	$180,050,343		$195,865,069	$195,865,069		$204,700,000	$204,700,000
For County Roads:										
Apportionment of Motor Vehicle Fuel Tax	1166		$105,703,843	$105,703,843		$114,100,000	$114,100,000		$120,000,000	$120,000,000
For City Streets:										
Apportionment of Motor Vehicle Fuel Tax	1167		$46,013,815	$46,013,815		$52,300,000	$52,300,000		$55,000,000	$55,000,000
For County Roads and City Streets:										
Apportionment of Motor Vehicle Fuel Tax	1167		$67,250,364	$67,250,364		$73,000,000	$73,000,000		$76,800,000	$76,800,000
TOTALS, SHARED REVENUES			$399,018,365	$399,018,365		$435,265,069	$435,265,069		$456,500,000	$456,500,000
TOTALS, LOCAL ASSISTANCE		$1,495,369,802	$422,982,546	$1,918,352,348	$1,674,995,162	$466,733,461 [a] ($7,787,566)	$2,141,728,623 [a] ($7,787,566)	$1,838,950,872	$486,119,935 [a] ($11,015,410)	$2,325,070,807 [a] ($11,015,410)
TOTALS, EXPENDITURES:										
SUPPORT		$820,704,906	$214,842,357	$1,035,547,263	$941,073,689	$240,922,585	$1,181,996,274	$1,076,868,295	$275,509,604	$1,352,377,899
LOCAL ASSISTANCE		1,495,369,802	422,982,546	1,918,352,348	1,674,995,162	466,733,461	2,141,728,623	1,838,950,872	486,119,935	2,325,070,807
LOCAL ASSISTANCE[a]						[a] ($7,787,566)	[a] ($7,787,566)		[a] ($11,015,410)	[a] ($11,015,410)
TOTALS, OPERATIONS		$2,316,074,708	$637,824,903	$2,953,899,611	$2,616,068,851	$707,656,046 [a] ($7,787,566)	$3,323,724,897 [a] ($7,787,566)	$2,915,819,167	$761,629,539 [a] ($11,015,410)	$3,677,448,706 [a] ($11,015,410)

[a] From the State Beach, Park, Recreational and Historical Facilities Fund.

CLASSIFICATION OF FUNDS IN THE STATE TREASURY

The Budget totals of revenues and expenditures reflect the activities of many separate funds. See Schedules 4 and 5 for complete list of these funds. They are segregated into the following classifications:

GENERAL FUND—Consists of money received into the State Treasury not required by law to be credited to any other fund, to be used for general purposes of State Government.

SPECIAL FUNDS—Funds created to receive certain revenues or to finance particular activities which are for general purposes of State Government or are for activities subject to the regulatory or police powers of the state.

OTHER FUNDS—See Schedule 5 for list of funds which are not included in the Budget totals. They consist of moneys which were derived from sources other than general or special taxes, licenses, fees or other state revenues. There are receipts from the Federal Government, funds created for accounting purposes, receipts from sale of lands, or moneys held in trust. Funds not included in the Budget totals are segregated into the following classifications:

Working Capital and Revolving Funds—Funds created to finance services for governmental agencies for which charges are made at cost to maintain a fixed accountability. The charges are reflected as expenditures in the Budget at the agency receiving the commodity or service.

Public Service Enterprise Funds—Activities operated under state control for the benefit of the public. Funds are derived from charges to those who use the service and no support is derived from taxes, licenses or other state revenues. These functions are not subject to the regulatory or police powers of the state.

Bond Funds—To hold proceeds from the sale of bonds and to finance projects for which the bonds were authorized. The cost to the state is charged at the time interest payments are made and when the bonds are redeemed. (See Treasury funds for which no detailed transactions are reported in the Budget.)

Retirement Funds—Moneys held in trust by the state for retirement benefit payments.

Debt Service Funds—Moneys held by the state to be used for payment of interest or for redemption of bonds.

Trust and Agency Funds—Funds holding moneys in trust pending disbursements to trustors, moneys received from the Federal Government to be expended for specific purposes, and other funds which do not derive their sources from taxes or other state revenues, or are in the nature of transitory funds created for the convenience of accounting receipts or disbursements which are not necessarily revenues or expenditures.

Schedule 4

SUMMARY OF FUND CONDITION BY FUNDS AS OF JUNE 30, 1965, JUNE 30, 1966, AND JUNE 30, 1967

Fund	Page reference	Accumulated surplus June 30, 1964	Actual income 1964-65	Actual expenditures 1964-65	Transfers between funds	Accumulated surplus June 30, 1966	Estimated income 1965-66	Estimated expenditures 1965-66	Transfers between funds	Accumulated surplus June 30, 1966	Estimated income 1966-67	Estimated expenditures 1966-67	Transfers between funds	Accumulated surplus June 30, 1967
GENERAL FUND		$152,095,606 [1]110,089,410	$2,285,724,725	$2,344,841,208		$148,704,421 [1]55,264,124	$2,547,783,605	$2,064,132,185		$50,460,743 [1]37,169,222	$2,778,014,012	$2,952,150,898		−$96,016,852 [1]12,500,531
Transfers from Other Funds:														
California Museum of Science and Industry Fund	123		(+63,898)		(+63,898)		(+60,887)		(+60,887)		(+57,887)		(+57,887)	
California Water Fund	*		(+40,644,824)		(+40,644,824)		(+36,562,639)		(+36,562,639)		(+30,613,211)		(+30,613,211)	
Central Valley Water Project Construction Fund	*										(+2,542,000)		(+2,542,000)	
Employment Contingent Fund	*						(+5,253,098)		(+5,253,098)					
Fair and Exposition Fund	*		(+16,126,947)		(+16,126,947)		(+17,712,210)		(+17,712,210)		(+18,122,737)		(+18,122,737)	
School Land Fund							(+13,525,069)		(+13,525,069)					
Sacramento State Building Interest and Sinking Fund							(+1,751,825)		(+1,751,825)					
Social Welfare Federal Fund							(+1,026,143)		(+1,020,143)					
Soil Conservation Development Fund	1074						(+90,099)		(+90,099)					
Transfers to Other Funds:														
Assembly Contingent Fund	3			(+4,635,378)	(−4,035,378)			(+6,775,500)	(−6,775,500)			(+6,099,540)	(−6,099,540)	
California Museum of Science and Industry Fund	123			(+279,588)	(−279,588)			(+372,905)	(−372,905)			(+445,934)	(−445,934)	
Insurance Fund	756			(+500,000)	(−500,000)			(+110,000)	(−110,000)			(+112,300)	(−112,300)	
Poultry Testing Project Fund	125			(+75,086)	(−75,086)			(+75,086)	(−75,086)			(+75,080)	(−75,086)	
Senate Contingent Fund	3			(+2,831,821)	(−2,831,821)			(+2,911,000)	(−2,911,000)			(+2,844,391)	(−2,844,391)	
State Fair Fund	85			(+390,402)	(−390,402)			(+425,294)	(−425,294)			(+548,591)	(−548,591)	
SPECIAL FUNDS:														
Agriculture Fuod	117	1,083,878	9,360,042	6,017,486		1,435,525 [a]6,066	9,330,461	9,250,573		1,584,117 [a]6,066	6,436,294	6,320,053		1,768,062 [a]6,006
		[b]2,688,968				[b]2,702,858				[b]2,535,164				[b]2,567,460
Aeronautics Fund	1156						−1,078,106	154,035	+2,080,000 −847,865		−1,422,600	237,573	+2,775,000 −1,114,627	
Airport Assistance Revolving Fund	1156	[a]15,357		355,066	+350,060	[a]357		848,222	+847,865			1,114,627	+1,114,627	
Alcohol Beverage Control Fund	737	[a]732,196	11,120,591	10,879,721		[a]973,069	11,560,060	11,640,069		[a]833,066	11,750,060	11,700,660		[a]883,006
Architecture Public Building Fund	74	−135,840	1,506,075	1,393,913		−23,678	1,522,600	1,565,068		−6,686	1,522,000	1,512,705		2,609
Assembly Contingent Fund	3	[a]697,114		4,885,865				6,775,560				6,099,540		
				−4,635,378	(+4,635,378)	[a]446,627		−6,775,560	(+6,776,506)	[a]446,627		−6,099,540	(+6,066,546)	[a]410,027
Banking Fund	744	766,510	1,036,314	1,048,461		757,363	1,143,336	1,215,101		685,568	1,347,915	1,326,620		703,887
California Museum of Science and Industry Fund	123	218,045	518,338	813,403 −279,588	+15,000 (+276,588)	153,670	615,551	1,062,033 −372,965	+15,060 (+372,905)	94,206	574,500	1,001,753 −445,934	+15,060 (+415,934)	10,000
			−63,868		(−63,898)		−60,887		(−66,887)		−57,887		(−57,887)	
California Water Fund	*	[a]13,719,601	52,889,204	10,194,198		[a]15,759,183	48,628,015	11,801,919	−155,060	[a]15,878,240	48,685,544	11,666,524		[a]15,984,049
			−40,644,824		(−40,044,824)		−35,562,639		(−36,562,639)		−36,613,211		(−36,613,211)	
Chiropractic Examiners Fund	774	70,812	107,580	110,071		68,321	108,823	111,037		66,107	168,471	112,911		61,067
Collection Agency Fund	777	57,148	167,928	231,403		23,673	179,280	168,929		34,024	177,660	172,325		30,269
Employment Contingent Fund	*	3,935,441 [a]54,071	2,163,068	493,331		4,171,986 [a]1,487,269	2,015,566 −5,253,098	1,421,651	(−5,263,098)	1,600,006	2,110,066	1,685,770		1,121,230
Electronic Repair Dealer Registration Fund	785	148,637	260,070	262,459		200,648	268,260	261,777		212,071	303,106	266,178		249,593
Fair and Exposition Fund	*	282,085 [a]2,506,445	24,859,176	8,210,523	−15,600 −265,060	469,232 [a]2,661,064	25,456,440	10,494,466	−15,060 −265,060		26,356,006	7,653,263	−15,060 −265,006	
			−16,126,047		(−16,126,947)		−17,712,210		(−17,712,210)		−18,122,737		(−18,122,737)	
Fish and Game Preservation Fund	877	6,134,054 [a]364,327	12,454,688	12,015,956		6,553,888 [a]383,225	12,746,363	12,653,325		7,030,161	13,123,635	13,814,682		6,339,401

Schedule 4—SUMMARY OF FUND CONDITION BY FUNDS AS OF JUNE 30, 1965, JUNE 30, 1966, AND JUNE 30, 1967—Continued

Fund	Page references	Accumulated surplus June 30, 1984	Actual income 1984-85	Actual expenditures 1964-85	Transfers between funds	Accumulated surplus June 30, 1995	Estimated income 1985-86	Estimated expenditures 1985-86	Transfers between funds	Accumulated surplus June 30, 1990	Estimated income 1986-87	Estimated expenditures 1986-87	Transfers between funds	Accumulated surplus June 30, 1967
SPECIAL FUNDS—Continued														
Highway Fund	*	172,034,895	5,152,808	540,270,506	+487,914,699	156,929,207	3,641,000	839,306,094	+521,800,000	45,117,113	4,142,000	542,327,000	+537,800,000	44,987,113
					+215,000				+255,000				+255,000	
			33,891,313				−19,360,000		+19,380,000					
Highway Properties Rental Fund	*	628,681	769,184	619,800		790,245	600,000	750,000		846,245	815,000	800,000		681,215
Highway Users Tax Fund	*			105,703,643	+464,220,336			114,100,000	+554,150,000			120,000,000	+549,000,000	
					+95,000,000				+98,700,000				+93,000,000	
					+14,804,196				+15,150,000				+15,800,000	
					−467,914,899				−521,600,000				−537,800,000	
					−205,792				−12,920,000					
									−19,360,000					
Insurance Fund	750	1,294,297	2,535,990	3,006,190		1,284,097	3,385,000	3,485,600		1,253,231	3,093,000	3,719,853		736,678
				−500,000	(+500,000)			−110,000	(+110,000)			−112,300	(+112,300)	
Marriage Counselors Fund	792	1,909	3,620	3,850		1,839	20,400	12,743		15,296	1,200	10,316		0,176
Motor Vehicle Fund	965	30,894,213	179,906,653	63,893,106	−95,000,000	34,380,823	199,290,016	101,082,335	−98,700,000	38,714,226	220,432,919	121,380,019	−93,000,000	42,787,128
		[5]5,098,587				[2]2,845,922								
Motor Vehicle Fuel Fund	570	29,914,116	509,798,790	3,629,064	−350,000	51,011,476	558,471,300	5,920,749	−2,080,000	45,332,027	550,307,000	5,988,275	−2,775,000	48,695,752
					−484,220,336				−554,150,000				−549,000,000	
Motor Vehicle License Fee Fund	988	11,814,135	176,606,234	174,129,411		14,107,910	169,424,095	169,517,207		14,050,648	199,495,300	196,503,934		15,051,212
						[4]45,030								
Motor Vehicle Transportation Tax Fund	571	1,578,107	16,070,681	1,126,220	−14,604,196	1,701,372	18,644,000	1,297,242	−15,150,000	1,499,630	17,848,000	1,183,810	−15,800,000	1,817,020
					−215,000				−255,000	[4]433,500			−255,000	[4]433,500
Peace Officers Training Fund	727	470,340	661,415	670,815		481,140	020,001	970,274		410,670	993,000	1,032,144		372,326
Petroleum and Gas Fund	647	151,235	679,000	918,386		111,649	951,575	907,333		90,091	1,008,211	1,004,302		100,000
Pilot Commissioner's Special Fund	758	45,700	22,007	28,809		39,036	21,000	28,847		33,191	21,500	30,703		23,986
Poultry Testing Project Fund	125	43,044	44,002	108,855		55,677	20,031	127,396		23,598	43,225	137,938		3,971
				−75,060	(+75,086)			−75,086	(+75,068)			−75,080	(+75,069)	
Professional and Vocations Fund:														
Accountancy Fund	787	488,418	449,116	343,088		573,646	132,470	373,785		332,551	444,775	385,363		391,943
Architectural Examiners Fund	768	289,482	81,957	129,755		221,884	230,750	186,915		285,499	84,486	167,188		182,779
Barber Examiners Fund	771	258,791	126,146	285,009		09,926	478,860	351,867		224,727	170,430	358,593		38,584
Cemetery Fund	772	24,187	71,821	88,547		29,481	74,885	74,868		29,440	72,950	74,908		27,424
Contractors' License Fund	779	2,872,199	493,780	1,803,217		1,302,782	2,579,500	2,177,047		1,765,215	430,000	2,181,958		13,259
Cosmetology's Contingent Fund	781	509,123	982,805	572,936		018,990	296,590	646,050		509,524	969,855	697,311		642,068
Dentistry Fund	782	210,028	69,831	155,007		124,592	334,930	189,121		270,401	62,975	178,398		174,978
Dry Cleaners Fund	784	243,707	774,007	441,459		578,855	138,850	500,087		213,616	799,200	509,013		500,805
Funeral Directors and Embalmers Fund	767	39,809	167,390	92,198		115,083	14,970	101,510		28,523	179,151	104,991		99,883
Furniture and Bedding Inspection Fund	789	153,512	1,043,160	593,192		803,500	68,500	644,217		27,783	1,082,300	672,494		417,589
Landscape Architects Fund	791	41,769	8,810	26,898		21,461	52,300	29,518		44,285	4,825	29,113		19,977
Medical Examiners Contingent Fund	795	1,394,675	372,992	677,150		1,090,487	2,092,585	946,305		2,236,747	416,186	1,207,305		1,447,010
Nursing Education and Nurse Registration Fund	797	353,369	514,538	537,104		330,621	566,544	583,581		315,604	595,630	830,920		280,514
Optometry Fund	799	39,390	130,405	66,586		103,207	10,820	89,275		44,752	135,285	69,792		110,245
Osteopathic Examiners, Contingent Fund of the Board of	800	27,944	10,850	24,744		13,850	9,855	14,402		9,303	16,630	11,010		17,123
Pharmacy Board Contingent Fund	802	220,930	280,407	485,092		42,245	751,536	509,169		284,594	346,585	507,318		125,641
Physical Therapy Fund	796	26,927	720	16,283		11,384	33,060	14,598		20,628	110	14,541		15,397
Private Investigator and Adjuster Fund	803	61,767	130,100	119,040		72,647	104,107	116,081		58,873	120,190	119,302		59,761
Professional Engineers Fund	776	108,575	723,286	452,029		377,634	294,485	533,708		138,593	784,215	594,798		308,010
Registered Social Workers' Fund	808	23,301	33,580	30,086		26,773	35,125	30,920		30,972	35,250	31,460		34,742
Shorthand Reporters' Fund	805	44,905	58,670	30,261		71,314	13,900	32,313		52,901	57,500	33,693		78,706
Structural Pest Control Fund	608	77,544	403,793	468,094		13,243	489,534	486,245		14,532	531,985	493,560		52,917
Veterinary Examiners' Contingent Fund	808	56,947	11,644	52,474		16,317	98,275	53,676		56,914	11,735	53,525		17,124
Vocational Nurse Examiners' Fund	612	63,137	346,274	142,723		288,686	123,750	201,486		190,950	369,450	222,390		358,010
Yacht and Ship Brokers Fund	613	46,289	25,283	23,996		49,554	21,477	26,543		42,468	21,848	29,205		34,929

Schedule 4—SUMMARY OF FUND CONDITION BY FUNDS AS OF JUNE 30, 1965, JUNE 30, 1966, AND JUNE 30, 1967—Continued

Fund	Page reference	Accumulated surplus June 30, 1964	Actual income 1964–65	Actual expenditures 1964–65	Transfers between funds	Accumulated surplus June 30, 1965	Estimated income 1965–66	Estimated expenditures 1965–66	Transfers between funds	Accumulated surplus June 30, 1966	Estimated income 1966–67	Estimated expenditures 1966–67	Transfers between funds	Accumulated surplus June 30, 1967
SPECIAL FUNDS—Continued														
Real Estate Education, Research and Recovery Fund	754	1,146,025	519,935	664,751		1,001,209	576,686	563,813		994,262	746,400	051,401		1,069,191
Real Estate Fund	754	712,391	2,611,243	2,654,532		669,102	2,985,939	3,152,922		502,119	3,496,150	3,343,910		054,359
Savings and Loan Inspection Fund	756	1,166,455	2,369,135	1,775,238		1,802,352	2,704,000	2,445,381		2,060,971	2,759,000	2,591,670		2,226,101
Senate Contingent Fund	3	[a]507,324		2,749,659				2,557,377				3,267,500		
				−2,831,621	(+2,831,821)	[a]569,466		−2,911,000	(+2,911,000)	[a]943,109		−2,844,391	(+2,844,391)	[a]500,000
State Fair Fund	65	−52,553	2,169,423	2,659,345	+265,000	−67,073	2,249,623	3,066,278	+265,000	−215,434	2,353,343	3,096,500	+265,000	−150,000
				−390,402	(+390,402)			−425,294	(+425,294)			−543,591	(+543,591)	
State School Fund	1062	272,655	2,725,713	2,875,655		122,913	2,341,256	2,400,000		64,169	2,344,835	2,350,000		59,004
State School Construction Fund	1076	[a]660,230		42,400		[a]037,830		632,000	+155,000	[a]160,630		160,630		
Street and Highway Disaster Fund	1163		22		+205,792	[a]205,814	216,000	4,524,000	+12,920,000	[a]8,619,814	334,000	3,657,000		[a]5,496,814
Subsidence Abatement Fund	647	112,665	92,822	90,663		114,644	101,682	106,115		110,211	96,692	106,903		100,000
Transportation Rate Fund	673	3,124,844	4,214,162	4,300,366		3,038,638	4,153,261	4,632,068		2,559,611	4,226,000	4,702,962		2,082,649
Wildlife Restoration Fund	*	[a]1,649,342	630,206	1,277,704		[a]1,401,844	622,061	905,606		[a]1,316,099	815,554	906,062		[a]1,227,591
Provision for Salary Increases	1032											12,551,066		−12,551,066
Increased Productivity Savings												−5,000,000		5,000,000
TOTALS, SPECIAL FUNDS		$275,077,169	$1,009,154,670	$992,632,966		$290,456,475	$1,030,437,992	$1,150,106,841		$169,368,780	$1,091,193,421	$1,006,409,743		$166,061,600
		[a]26,223,997				[a]27,352,675				[a]28,839,225				[a]24,977,567
		[b]2,668,966				[b]2,702,666				[b]2,635,164				[b]2,567,460
GRAND TOTALS ALL STATE FUNDS		$428,072,776	$3,294,679,595	$3,337,474,194		$439,160,696	$3,578,221,597	$3,614,239,026		$219,619,523	$3,869,206,033	$4,048,560,641		$69,064,948
		[1a]136,313,416				[1a]62,616,799				[1a]66,008,447				[1a]37,478,118
		[b]2,666,966				[b]2,702,668				[b]2,635,164				[b]2,567,460

[1] General Fund—Reserve for Unencumbered Balance of Continuing Appropriations:

	June 30, 1966	*June 30, 1967*
Support	$748,986	$428,826
Capital Outlay:		
General Administration	100,000	100,000
California State Fair	4,091,645	----
Resources	11,000	----
Pay as you go	25,000,000	----
Local Assistance:		
Education	4,220,495	10,110,000
Resources	997,096	595,227
Other purposes	2,000,000	1,266,478
Total Reserves—General Fund	$37,169,222	$12,500,531

[a] Special Funds—Reserve for Unencumbered Balance of Continuing Appropriations.
[b] Invested in Agriculture Building Fund.
* See Capital Outlay Budget.

Schedule 4-A

CHANGE FROM MODIFIED CASH BASIS TO ACCRUAL BASIS

EFFECT ON JUNE 30, 1967 SPECIAL FUNDS SURPLUS

	Surplus (Present Modified Cash Basis)	Accounts Receivable—Revenue	Allowance for uncollectable receivables	Reserve for Cash Liquidity	Surplus (Proposed accrual basis)
Agriculture Fund	$1,768,062	$250,000	$10,000	–	$2,008,062
California Water Fund	–	2,850,000	10,000	–	2,840,000
Employment Contingent Fund	1,124,230	3,000,000	1,250,000	$1,440,000	1,434,230
Fair and Exposition Fund	[a]	120,000	–	–	120,000 [a]
Fish and Game Preservation Fund	6,339,404	125,000	5,000	–	6,459,404
Motor Vehicle Fund	42,767,128	200,000	16,000	184,000	42,767,128
Motor Vehicle Fuel Fund	46,895,752	96,650,000	45,000	96,605,000	46,895,752
Motor Vehicle License Fee Fund	15,051,212	180,000	14,000	166,000	15,051,212
Motor Vehicle Transportation Tax Fund	1,817,020	2,710,000	25,000	2,685,000	1,817,020
Transportation Rate Fund	2,082,849	860,000	10,000	810,000	2,122,849
Wildlife Restoration Fund	1,227,591 [a]	130,000	–	–	1,357,591 [a]
Totals	$117,845,657	$106,825,000	$1,385,000	$101,890,000	$121,395,657
Reserves	*1,227,591* [a]	*250,000*	–	–	*1,477,591* [a]

[a] Reserve for Unencumbered Balance of Continuing Appropriations.

Schedule 5

STATEMENT OF BALANCES IN OTHER TREASURY FUNDS WHICH ARE NOT INCLUDED IN THE BUDGET TOTALS

Fund	Balance June 30, 1964				Balance June 30, 1965			
	Cash	Securities	Due From Surplus Money Investment Fund	Total	Cash	Securities	Due From Surplus Money Investment Fund	Total
WORKING CAPITAL AND REVOLVING FUNDS:								
Agriculture Building Fund	$29,009			$29,009	$21,355			$21,355
Architecture Revolving Fund	56,634,453			56,634,453	90,570,205			90,570,205
Ballot Paper Revolving Fund	59,764			59,764	91,536			91,536
California Industries for the Blind Manufacturing Fund	82,605			82,605	101,260			101,260
Correctional Industries Revolving Fund	1,145,845			1,145,845	1,279,891			1,279,891
Highway Right of Way Acquisition Fund	2,853,455			2,853,455	636,604			636,604
Opportunity Work Centers Revolving Fund	17,684			17,684	13,850			13,850
Old Age and Survivors Insurance Revolving Fund	3,455,540			3,455,540	529,424			529,424
Public Building Construction Fund	48,789		$505,000	553,789	649,064		$505,000	1,154,064
Service Revolving Fund	306,821			306,821	617,161			617,161
Revolving Loan Fund	35,000			35,000	23,468			23,468
School District Organization Revolving Fund	377,311			377,311	183,953			183,953
Soil Conservation Development Fund	66,518			66,518	71,176			71,176
State Payroll Revolving Fund	72,662,439			72,662,439	87,028,058			87,028,058
State Water Pollution Control Fund	16,288			16,288	55,752			55,752
Surplus Educational Property Revolving Fund	427,362			427,362	608,161			608,161
Surplus Money Investment Fund	292,439	$296,208,812	−292,460,000	4,041,251	23,192	$332,148,465	−327,335,000	4,836,657
Water Rights Board Revolving Fund	161,807			161,807	135,818			135,818
Water Resources Revolving Fund	4,441,407			4,441,407	7,926,850			7,926,850
Welfare Advance Fund					102,600			102,600
PUBLIC SERVICE ENTERPRISE FUNDS:								
San Francisco Harbor Funds:								
San Francisco Harbor Improvement Fund	470,807		5,100,000	5,570,807	594,840		6,050,000	6,644,840
India Basin Sinking Fund	7,122	7,822		14,944	6,632	8,785		15,417
San Francisco Seawall Sinking Fund No. 2	177,445	9,669		187,114	175,715	8,676		184,391
San Francisco Seawall Sinking Fund No. 3	217,870	10,636		228,506	215,560	10,604		226,164
San Francisco Seawall Sinking Fund No. 4	77,143	199,436		276,579	75,185	198,581		273,766
San Francisco Seawall Fund No. 4	49,576		50,000	99,576	42,321			42,321
San Francisco Seawall Fund No. 5	111,086		12,350,000	12,461,086	87,263		15,550,000	15,637,263
Toll Bridge Funds:								
Carquinez Strait Bridges Series A Construction Fund	1,641,614	8,529,231		10,170,845	24,963	4,896 250		4,921,213
San Francisco-Oakland Bay Bridge Construction Fund	2,969	158,141		161,110	6,079	123,103		129,182
San Francisco-Oakland Bay Bridge Toll Revenue Fund	227,824	50,746,831		50,974,655	3,841,446	44,121,575		47,963,021
Southern Crossing Engineering Fund	12,130	14,869		26,999	370			370
Toll Bridge Authority Revolving Fund	50,000			50,000	50,000			50,000
Carquinez Strait Bridges Construction Fund	29,086	1,370,988		1,400,074	251,666	202,391		454,057
San Pedro-Terminal Island Toll Bridge Construction Fund	113,721	787,788		901,509	46,106	732,654		778,760
Other Utility Funds:								
Central Valley Water Project Construction Fund	77,851		19,550,000	19,627,851	266,351		29,550,000	29,816,351
Central Valley Water Project Revenue Fund	29,036			29,036	4,122		25,000	29,122
College Auxiliary Enterprise Fund	149,297			149,297	157,692			157,692
Compensation Insurance Fund	1,796,873	161,868,763	3,500,000	167,165,636	1,081,726	187,586,030	2,000,000	190,667,756
Small Craft Harbor Revolving Fund	3,223,536			3,223,536	3,532,897			3,532,897
Small Craft Harbor Improvement Fund	142,815			142,815	62,406			62,406
State College Dormitory Building Maintenance and Equipment Reserve Fund	191,201			191,201	413,201			413,201
State College Dormitory Construction Fund	471,624			471,624	572,885			572,885
State College Dormitory Revenue Fund	1,053,693			1,053,693	1,244,895			1,244,895
Unemployment Compensation Disability Fund	681,939	12,419,814		13,101,753	568,108			568,108
Veterans' Farm and Home Building Fund of 1943	2,339,457		70,000,000	72,339,457	1,700,334		19,000,000	20,700,334

SCHEDULE 5—STATEMENT OF BALANCES IN OTHER TREASURY FUNDS WHICH ARE NOT INCLUDED IN THE BUDGET TOTALS—Continued

Fund	Balance June 30, 1964				Balance June 30, 1965			
	Cash	Securities	Due From Surplus Money Investment Fund	Total	Cash	Securities	Due From Surplus Money Investment Fund	Total
BOND FUNDS:								
California Water Resources Development Bond Fund	219,178		94,150,000	94,369,178	683,971		153,350,000	154,033,971
Public School Building Loan Fund	191,466			191,466	207,357			207,357
State School Building Aid Fund	23,238,327			23,238,327	115,060,380			115,060,380
State Construction Program Fund	5,021,274			5,021,274	573,747			573,747
Small Craft Harbor Bond Fund	124,308		3,050,000	3,174,308	185,774		2,000,000	2,185,774
State Beach, Park, Recreational and Historical Facilities Fund [a]								[a]
RETIREMENT FUNDS:								
Judges' Retirement Fund	10,657	970,357		981,014	1,084	677,427		678,511
Legislators' Retirement Fund	32,088	480,238		512,326	37,460	556,415		593,875
State Employees' Retirement Fund	6,553,203	1,949,034,326		1,955,587,529	310,971	2,187,725,305		2,188,036,276
Teachers' Retirement Fund	7,912,426	865,267,881		873,180,307	8,886,992	971,894,848		980,781,840
DEBT SERVICE FUNDS:								
Harbor Bond Sinking Fund	797,250			797,250	1,381,265			1,381,265
Olympic Bond Fund	9,845	151,909		161,754	4,884	129,607		134,491
Sacramento State Building Interest and Sinking Fund	479	4,531,144		4,531,623	3,392,964	1,347,184		4,740,148
State College Dormitory Interest and Redemption Fund	4,455	1,534,102		1,538,557	221	1,469,953		1,470,174
TRUST AND AGENCY FUNDS:								
Federal Funds:								
Public Health—Federal Fund	2,488,089			2,488,089	1,363,790			1,363,790
Social Welfare—Federal Fund	8,611,354			8,611,354	16,843,155			16,843,155
Unemployment Administration Fund	1,116,204			1,116,204	1,696,787			1,696,787
Vocational Education—Federal Fund	2,473,993			2,473,993	3,852,954			3,852,954
Vocational Rehabilitation—Federal Fund	122,098			122,098	391,346			391,346
Other Trust and Agency Funds:								
Condemnation Deposit Fund	15,108,693	15,939,759		31,048,452	19,001,034	28,032,101		47,033,135
Highway Property Rental Fund	761,161			761,161	708,875			708,875
Inmate Welfare Fund	144,419			144,419	242,565			242,565
School Land Fund	378,702	10,050,614	8,400,000	18,829,316	13,525,069	1,352,300		14,877,369
Special Deposit Fund	21,038,466	38,153		21,076,619	23,038,141	38,153	3,200,000	26,276,294
State Employees Contingency Reserve Fund	215,668	1,079,550		1,295,218	1,799	1,521,871		1,523,670
State Park Contingent Fund	45,207			45,207	40,306			40,306
State Properties Rental Fund	1,997			1,997	38,850			38,850
Tax Deeded Land Rental Trust Fund	5,588			5,588	9,304			9,304
Unclaimed Property Fund	144,163	4,245,904	800,000	5,190,067	151,958	4,226,930	1,100,000	5,478,888
Unemployment Fund	4,643			4,643	55,663			55,663
TOTAL BALANCES IN OTHER TREASURY FUNDS	$253,235,652	$3,385,656,737	−$75,005,000	$3,563,887,389	$417,380,807	$3,769,009,208	−$95,005,000	$4,091,385,015
General Fund	*268,615,994*			*268,615,994*	*167,748,970*			*167,748,970*
Highway Fund and Motor Vehicle Funds	*52,481,044*	*129,930,794*	*35,850,000*	*218,261,838*	*41,733,488*	*145,959,757*	*57,100,000*	*244,793,245*
Other Special Funds	*24,172,679*	*25,470,000*	*39,155,000*	*88,797,679*	*29,768,763*	*25,470,000*	*37,905,000*	*93,143,763*
Treasurer's Trust Accounts	*69,538,503*			*69,538,503*	*65,362,433*			*65,362,433*
Uncleared Collections	*3,712,012*			*3,712,012*	*1,471,918*			*1,471,918*
Warrants Outstanding	*107,457,190*			*107,457,190*	*103,049,222*			*103,049,222*
Pooled Money Account [b]	*−529,698,813*	*529,698,813*			*−541,058,088*	*541,058,088*		
Time Deposits in Banks [b]	*−215,296,000*	*215,296,000*			*−219,196,000*	*219,196,000*		
Warrants Voided in Process					*−21,549*			*−21,549*
TOTALS, STATE TREASURERS ACCOUNTABILITY	*$34,218,261*	*$4,286,052,344*		*$4,320,270,605*	*$66,239,964*	*$4,700,693,053*		*$4,766,933,017*

[a] No bonds were sold until October 1965.
[b] Not identified as to fund.

TREASURY FUNDS FOR WHICH NO DETAILED TRANSACTIONS ARE REPORTED IN THE BUDGET

Ballot Paper Revolving Fund: The fund is used by the Secretary of State to purchase paper for sale to counties and municipalities for their use for election ballots.

Old Age and Survivors Insurance Revolving Fund: The fund is used by the State Employees' Retirement System to clear employer and employee coutributions under the Federal Old Age and Survivors Insurance Program from public agencies included in the agreement between the State and the Federal Government.

Opportuuity Work Ceuters Revolving Fund: Provides for purchase and rental of equipment for Bliud Centers.

State Payroll Revolving Fund: The fund is used by the State Controller for payment of salaries through the Ceutral Payroll System.

Welfare Advance Fund: The fund is used for disbursements to counties of state and federal shares of social welfare public assistance programs.

India Basin Sinking Fund: Moneys are transferred from the Sau Fraucisco Harbor Improvement Fund and interest is earned on investmeut of these moneys to provide for payment of interest and redemption of the Sau Francisco Harbor Bonds.

San Fraucisco Seawall Fund No. 4: Receives mouey from the proceeds of bond sales to be used for the construction of wharves, piers, seawall, and other improvements in San Francisco Harbor.

San Francisco Seawoll Fund No. 5: Receives money from the proceeds of bond sales to be used for the construction of wharves, piers, seawall, and other improvements in San Fraucisco Harbor.

San Francisco Seawall Sinking Fund No. 2: Moneys are transferred from the San Francisco Harbor Improvement Fund and interest is earned ou investmeut of these moneys to providc for payment of interest and redemption of the San Francisco Harbor Bonds.

San Fraucisco Seawall Sinking Fund No. 3: Moneys are trausferred from the San Francisco Harbor Improvement Fund and interest is earned on investment of these moneys to provide for payment of iuterest and redemption of the San Francisco Harbor Bonds.

San Francisco Seawall Sinking Fund No. 4: Moneys are transferred from the San Francisco Harbor Improvement Fund and interest is earned on investment of these moneys to provide for payment of interest and redemption of the San Francisco Harbor Bonds.

Toll Bridge Authority Revolving Fund: A permanent revolving fund to pay expenses incurred by the California Toll Bridge Authority in the administration of the Toll Bridge Authority Act.

California Heritage Preservation Fund: The fund was established by Chapter 1938, Statutes of 1963, to receive donations, gifts and grauts from any source to provide for the restoration, preservation and display of the historical documents of the State on deposit with the Secretary of State.

Condemnation Deposits Fund: Contains deposits held in trust pending settlement of court cases in condemnation proceedings.

School Land Fund: A nonexpendable endowment fund for public school purposes. Revenues consist of payment of principal and purchase price on sale of school lands. The interest received on the investment of this fund is deposited in the School Fund. The School Land Fund was abolished effective July 1, 1965, in accordance with the provisions of Chapter 538, Statutes of 1963.

Special Deposit Fund: Accumulation of numerous trust funds deposited by state and private agencies for a specific purpose. This fund also contains unclaimed checks and deposits pending either payment to the proper persons or transfer to the General Fund. The transactious of this fund are so numerous and so indefinite that no attempt is made to estimate the volume that will flow through the fund.

Special Interest Stopping Place Fund: Receives gifts of money or property for the purpose of establishing places of special scenic, historical, or cultural interest.

State Park Contingent Fund: Receives moneys from gifts, bequests, from municipal or county appropriations, or donatious, for improvements, additions, or administration of the state park system. The amounts received are disbursed in accordance with the provisions of the donations.

Surplus Money Investment Fund: Excess money in those funds which do not have other provision for investment may be transferred to this fund, the pooled resources are invested and the interest earned is prorated to the contributing funds.

Tax-deeded Land Rental Trust Fund: Receipts are derived from leases made by the State Controller covering property deeded to the State for taxes. The rentals are paid semiannually to the county in which the property is located for distribution to the taxing agencies.

Treasury Trust Deposits: Provides for the State Treasurer's Central Banking System.

Unclaimed Property Fund: This fund accounts for all unclaimed moneys held by the State.

Schedule 6

COMPARATIVE STATEMENT OF EXPENDITURES OF FEDERAL AID GRANTED TO THE STATE OF CALIFORNIA FOR THE FISCAL YEARS 1964–65, 1965–66, AND 1966–67

Department	Page Reference	Actual 1964–65			Estimated 1965–66			Estimated 1966–67		
		Grants	Reimbursements and Special Projects	Total	Grants	Reimbursements and Special Projects	Total	Grants	Reimbursements and Special Projects	Total
EXECUTIVE:										
Office of Economic Opportunity	22	$89,559		$89,559	$611,078		$611,078	$637,780		$637,780
Disaster Office	26	966,788	$28,244	995,032	810,741	$185,491	996,232	838,863		838,863
Disaster Office—Disaster Relief	26		(8,434,616)	(8,434,616)		(11,412,400)	(11,412,400)		($7,373,122)	(7,373,122)
Totals, Executive		$1,056,347	$28,244	$1,084,591	$1,421,819	$185,491	$1,607,310	$1,476,643		$1,476,643
			(8,434,616)	(8,434,616)		(11,412,400)	(11,412,400)		($7,373,122)	(7,373,122)
GENERAL ADMINISTRATION:										
Personnel Board										
The Agency for International Development	89					$78,500	$78,500			
Totals, General Administration						$78,500	$78,500			
AGRICULTURE:										
Department of Agriculture										
Co-operative Marketing Research	102	$75,487		$75,487	$93,077		$93,077	$94,009		$94,009
Participation in State Project	102	42,415		42,415	55,273		55,273	56,706		56,706
Services to United States Department of Agriculture	113		$5,000	5,000		$5,000	5,000		$5,000	5,000
Totals, Agriculture		$117,902	$5,000	$122,902	$148,350	$5,000	$153,350	$150,715	$5,000	$155,715
CORRECTIONS:										
Department of Corrections										
Institutions for Felons:										
California Conservation Center										
Services to United States Forest Service	155		$81,088	$81,088		$59,194	$59,194		$23,100	$23,100
Sierra Conservation Center										
Services to United States Forest Service	160					16,205	16,205		90,900	90,900
Correctional Institution at Tehachapi										
Services to United States Forest Service	168		27,163	27,163						
Correctional Training Facility										
Services to United States Forest Service	171		26,519	26,519						
Institution for Men										
Services to United States Forest Service	184		36,857	36,857						
Medical Facility										
Services to United States Marshal	188					600	600		600	600
Men's Colony—East Facility										
Services to United States Forest Service	191		2,182	2,182						
Men's Colony—West Facility										
Services to United States Forest Service	194		25,418	25,418						
State Prison at San Quentin										
Services to United States Forest Service	199		24,594	24,594						
Institution for Women										
Maintenance of Federal Wards	203		9,186	9,186		9,186	9,186		9,186	9,186
Nonfelon Narcotic Program:										
Rehabilitation Center										
Services to Federal Government—Navy	208		1,929	1,929		2,500	2,500		2,500	2,500
Totals, Department of Corrections			$234,936	$234,936		$87,685	$87,685		$126,286	$126,286

Schedule 6—COMPARATIVE STATEMENT OF EXPENDITURES OF FEDERAL AID—Continued

Department	Page Reference	Actual 1964-65			Estimated 1965-66			Estimated 1966-67		
		Grants	Reimbursements and Special Projects	Total	Grants	Reimbursements and Special Projects	Total	Grants	Reimbursements and Special Projects	Total
CONNECTIONS—Continued										
Department of the Youth Authority										
National Institute of Mental Health										
Community Treatment Programs	227		$77,692	$77,692		$108,083	$108,083		$109,122	$109,122
Youth Participation in Community Action	227					217,926	217,926		289,796	289,796
Totals, Department of the Youth Authority			$77,692	$77,692		$326,009	$326,009		$398,918	$398,918
Totals, Corrections			$312,628	$312,628		$413,694	$413,694		$525,204	$525,204
EDUCATION:										
Department of Education										
Adult Education for Civil Defense	261	$124,977		$124,977	$179,426		$179,426	$184,247		$184,247
Services for Veterans Administration	259		$89,235	89,235		$40,000	40,000		$40,000	40,000
Talent Development and Other Project	261	84,401		84,401	102,222		102,222	31,373		31,373
Research Projects	264	32,627		32,627	314,930		314,930	212,484		212,484
Adult Basic Education—Support	262	7,955		7,955	144,404		144,404	82,385		82,385
Adult Basic Education—Local Assistance	1073	1,025,282		1,025,282	1,709,575		1,709,575	1,727,340		1,727,340
Compensatory Education—Local Assistance	1063				77,955,382		77,955,382	77,899,972		77,899,972
Totals, Education		$1,275,242	$89,235	$1,364,477	$80,405,939	$40,000	$80,445,939	$80,137,801	$40,000	$80,177,801
National Defense Education										
Improvement of Guidance, Instruction and Statistical Services	266	$557,030		$557,030	$563,100		$563,100	$625,034		$625,034
Payment to School Districts, National Defense Education Program—Local Assistance	1075	6,211,025		6,211,025	7,151,678		7,151,678	7,108,016		7,108,016
Totals, National Defense Education		$6,768,055		$6,768,055	$7,714,778		$7,714,778	$7,733,050		$7,733,050
Elementary and Secondary Education Acts										
Compensatory Education	270				$535,557		$535,557	$641,428		$641,428
School Library Resources	270				203,355		203,355	286,084		286,084
Strengthening the State Department of Education	270				1,005,831		1,005,831	1,005,831		1,005,831
Totals, Elementary and Secondary Education Acts	270				$1,744,743		$1,744,743	$1,933,343		$1,933,343
Special Schools										
School for the Blind										
Federal Work Study Program	279							$33,228		$33,228
School for the Deaf, Berkeley										
Federal Vocational Education Act	284							127,299		127,299
School for the Deaf, Riverside										
Federal Vocational and Elementary and Secondary Education Acts	287							119,063		119,063
Totals, Special Schools								$279,590		$279,590

Schedule 6—COMPARATIVE STATEMENT OF EXPENDITURES OF FEDERAL AID—Continued

Department	Page Reference	Actual 1964-65			Estimated 1965-66			Estimated 1966-67		
		Grants	Reimbursements and Special Projects	Total	Grants	Reimbursements and Special Projects	Total	Grants	Reimbursements and Special Projects	Total
EDUCATION—Continued										
Department of Education—Continued										
Vocational Education										
Instruction, Supervision and Teacher Training Programs	291	$1,139,024		$1,139,024	$3,284,234		$3,284,234	$3,328,595		$3,328,595
Reimbursement to School Districts—Local Assistance	1077	21,643,013		21,643,013	29,378,349		29,378,349	27,700,688		27,700,688
Totals, Vocational Education		$22,782,037		$22,782,037	$32,662,583		$32,662,583	$31,029,283		$31,029,283
Grants to Teachers of Physically Handicapped Minors	1067	$92,400		$92,400	$96,000		$96,000	$118,100		$118,100
Division of Libraries										
Library Services and Construction Act	298	4,385,874		4,385,874	4,313,766		4,313,766	4,114,232		4,114,232
School Library Resources—Local Assistance	1074				9,107,508		9,107,508	9,029,483		9,029,483
School Lunch Program—Local Assistance	1076	6,269,162		6,269,162	6,300,000		6,300,000	6,300,000		6,300,000
Special Milk Program—Local Assistance	1072	9,090,119		9,090,119	9,100,000		9,100,000	9,100,000		9,100,000
Totals, Education		$50,662,889	$89,235	$50,752,124	$151,445,317	$40,000	$151,485,317	$149,774,882	$40,000	$149,814,882
HIGHER EDUCATION:										
Co-ordinating Council for Higher Education—Higher Education Facilities Act Program	306	$57,354		$57,354	$92,921		$92,921	$98,690		$98,690
University of California:										
Special Federal Research Projects	311		$235,191,682	235,191,682		$235,191,682	235,191,682		$235,191,682	235,191,682
Other Federal Projects	311		80,292,910	80,292,910		86,894,261	86,894,261		95,874,677	95,874,677
Totals, University of California		$57,354	$315,484,592	$315,541,946	$92,921	$322,085,943	$322,178,864	$98,690	$331,066,359	$331,165,049
Trustees of the California State Colleges										
National Defense Education Act	366	$2,713,198		$2,713,198	$4,395,159		$4,395,159	$4,950,000		$4,950,000
Student Nursing Loan Funds	366				112,500		112,500	112,500		112,500
Chico State College										
Work Study Program	375				86,112		86,112	86,112		86,112
Fresno State College										
Work Study Program	382				69,786		69,786	69,786		69,786
State College at Fullerton										
Work Study Program	390				46,880		46,880	46,880		46,880
Humboldt State College										
Work Study Program	408				62,178		62,178	62,178		62,178
State College at Long Beach										
Work Study Program	416				201,797		201,797	201,797		201,797
State College at Los Angeles										
Work Study Program	423				431,732		431,732	431,732		431,732
State College at Palos Verdes										
Work Study Program	432				2,610		2,610	2,610		2,610
Research Projects	436		$9,974	9,974		$47,761	47,761		$25,511	25,511
Sacramento State College										
Work Study Program	437				139,900		139,900	139,900		139,900
State College at San Bernardino										
Work Study Program	446				15,759		15,759	15,759		15,759

Schedule 6—COMPARATIVE STATEMENT OF EXPENDITURES OF FEDERAL AID—Continued

Department	Page Reference	Actual 1964–65			Estimated 1965–66			Estimated 1966–67		
		Grants	Reimbursements and Special Projects	Total	Grants	Reimbursements and Special Projects	Total	Grants	Reimbursements and Special Projects	Total
HIGHER EDUCATION—Continued										
San Diego State College										
National Defense Education Act	460		26,000	26,000						
Veterans Fees, Public Law 550	460		4,000	4,000						
Work Study Program	452				168,165		168,165	168,165		168,165
San Fernando Valley State College										
Work Study Program	461				135,918		135,918	135,918		135,918
San Francisco State College										
Other Projects	475					1,063,659	1,063,659		1,273,708	1,273,708
Work Study Program	468				239,321		239,321	239,321		239,321
San Jose State College										
Work Study Program	476				760,140		760,140	760,140		760,140
Work Study Program	483					26,192	26,192		26,192	26,192
Sonoma State College										
Work Study Program	484				46,013		46,013	46,013		46,013
Work Study Program	489					1,090	1,090		1,090	1,090
Stanislaus State College										
Work Study Program	490							9,000		9,000
California State Polytechnic College										
Work Study Program	497				180,036		180,036	180,036		180,036
U.S. Agency for International Development—Abroad	504		107,822	107,822		158,956	158,956			
U.S. Agency for International Development—On Campus	505		83,759	83,759		21,741	21,741			
Totals, State Colleges		$2,713,198	$231,555	$2,944,753	$7,094,006	$1,319,399	$8,413,405	$7,657,847	$1,326,501	$8,984,348
California Maritime Academy	532	$205,702		$205,702	$215,100		$215,100	$218,400		$218,400
Totals, Higher Education		$2,976,254	$315,716,147	$318,692,401	$7,402,027	$323,405,342	$330,807,369	$7,974,937	$332,392,860	$340,367,797
EMPLOYMENT:										
Department of Employment										
Unemployment Security Financing Act	536				$25,149		$25,149	$22,528		$22,528
Administration	536	$59,161,139		$59,161,139	70,893,275		70,893,275	74,820,160		74,820,160
Benefit Payments and Other Expenditures	536	541,223,993		541,223,993	555,600,000		555,600,000	631,000,000		631,000,000
Totals, Employment		$600,385,132		$600,385,132	$626,518,424		$626,518,424	$705,842,688		$705,842,688
FISCAL AFFAIRS:										
Department of Finance										
State Development Plan	572	$856,611		$856,611	$630,944		$630,944			
State Office of Planning	572							$112,075		$112,075
Department of Housing and Community Development										
Low Cost Housing Demonstration	590				250,000		250,000			
Totals, Fiscal Affairs		$856,611		$856,611	$880,944		$880,944	$112,075		$112,075
HEALTH AND WELFARE:										
Health and Welfare Agency										
Mental Retardation Program	596				$193,900		$193,900	$193,900		$193,900
Citizens' Advisory Committee on Aging										
Older American's Act	599				247,500		247,500	297,000		297,000
Study Commission on Mental Retardation	603	$30,000		$30,000						
Medical and Related Services Cost Increase	1079							3,298,154		3,298,154

Schedule 6—COMPARATIVE STATEMENT OF EXPENDITURES OF FEDERAL AID—Continued

Department	Page Reference	Actual 1964–65			Estimated 1965–66			Estimated 1966–67		
		Grants	Reimbursements and Special Projects	Total	Grants	Reimbursements and Special Projects	Total	Grants	Reimbursements and Special Projects	Total
HEALTH AND WELFARE—Continued										
Department of Mental Hygiene										
Departmental Administration										
Administration	012	$1,002,616		$1,002,616	$827,617		$827,617	$682,271		$682,271
Special Project Activities	620		$2,337,571	2,337,571		$2,747,798	2,747,798		$2,593,998	2,593,998
Langley Porter Neuropsychiatric Institute										
Department of the Navy	628		11,046	11,046		21,843	21,843			
Department of the Army	628					23,830	23,830			
Hospitals for Mentally Ill										
East Bay Clinic at Napa	629							163,593		163,593
Totals, Department of Mental Hygiene		$1,002,616	$2,348,617	$3,351,233	$827,617	$2,793,471	$3,621,088	$845,864	$2,593,998	$3,439,862
Department of Public Health										
Crippled Children's Services	640							$31,547		$31,547
Community Health Services	640							77,175		77,175
Public Health Services—Support	638	$3,058,138		$3,058,138	$3,801,382		$3,801,382	3,746,758		3,746,758
Medical Care Studies Unit	638	100,000		100,000						
Special Project Activities	662		$6,112,068	6,112,008		$8,763,177	8,763,177		$8,741,686	8,741,686
National Office of Vital Statistics	1091		17,688	17,688		20,000	20,000		20,000	20,000
Care of Crippled Children—Local Assistance	1092	374,682		374,682	926,896		926,896	1,146,290		1,146,290
Assitance to Counties Without Local Health Departments—Local Assistance	1093	100,000		100,000	100,000		100,000	100,000		100,000
Assistance to Local Health Departments—Local Assistanee	1094	1,842,495		1,842,495	2,546,845		2,546,845	2,680,863		2,680,863
Hospital Construction—Local Assistance	1097	8,292,600		8,292,600	18,369,995		18,369,995	18,863,865		18,863,865
Totals, Public Health		$13,767,915	$0,129,756	$19,897,671	$25,745,118	$8,783,177	$34,528,295	$26,646,498	$8,761,686	$35,408,184
Department of Rehabilitation										
Vocational Rehabilitation										
Vocational Rehabilitation—Support	665	$5,075,488		$5,075,488	$9,594,692		$9,594,692	$12,588,959		$12,588,959
Cooperative Rehabilitation Services	665				3,234,000		3,234,000	8,197,000		8,197,000
Disability Certification Program	665	2,971,312		2,971,312	3,504,666		3,504,666	3,554,042		3,554,042
Department of Rehabilitation—Support	665							32,693		32,693
Totals, Vocational Rehabilitation		$8,046,800		$8,046,800	$16,333,358		$16,333,358	$24,372,694		$24,372,694
Orientation Center for the Blind, Vocational Rehabilitation Service	688	$130,913		$130,913	$194,465		$194,465	$240,022		$240,022
Totals, Department of Rehabilitation		$8,177,713		$8,177,713	$16,527,823		$16,527,823	$24,612,716		$24,612,716
Department of Social Welfare										
Study of Licensed Adoption Agency Programs	694								$61,340	$61,340
Public Assistance Programs:										
Aid to the Blind										
Administration—Support	696	$165,481		$165,481	$175,933		$175,933	$198,381		198,381
Administration—Local Assistance	1114	974,446		974,446	1,171,400		1,171,400	1,045,000		1,045,000
Assistance—Local Assistance	1103	6,726,400		6,726,400	8,233,800		8,233,800	9,134,600		9,134,600
Totals, Aid to the Blind		$7,866,327		$7,866,327	$9,581,133		$9,581,133	$10,377,981		$10,377,981

Schedule 6—COMPARATIVE STATEMENT OF EXPENDITURES OF FEDERAL AID—Continued

Department	Page Reference	Actual 1964–65			Estimated 1965–66			Estimated 1966–67		
		Grants	Reimbursements and Special Projects	Total	Grants	Reimbursements and Special Projects	Total	Grants	Reimbursements and Special Projects	Total
HEALTH AND WELFARE—Continued										
Department of Social Welfare—Continued										
Public Assistance Programs—Continued										
Aid to Families with Dependent Children										
Administration—Support	696	$1,291,075		$1,291,075	$1,416,593		$1,416,593	$1,560,191		$1,560,191
Administration—Local Assistance	1114	31,922,115		31,922,115	32,960,200		32,960,200	36,613,600		36,613,600
Assistance—Local Assistance	1109	125,491,416		125,491,416	153,274,700		153,274,700	177,914,300		177,914,300
Totals, Aid to Families with Dependent Children		$158,704,606		$158,704,606	$187,651,493		$187,651,493	$216,088,091		$216,088,091
Aid to the Disabled										
Administration—Support	696	$744,520		$744,520	$809,785		$809,785	$906,668		$906,668
Administration—Local Assistance	1114	5,929,756		5,929,756	10,005,000		10,005,000	10,656,000		10,656,000
Assistance—Local Assistance	1107	32,643,751		32,643,751	48,748,100		48,748,100	60,392,700		60,392,700
Totals, Aid to the Disabled		$39,318,027		$39,318,027	$59,562,885		$59,562,885	$71,955,368		$71,955,368
Old Age Security										
Administration—Support	696	$579,468		$579,468	$630,419		$630,419	$695,583		$695,583
Administration—Local Assistance	1114	13,765,075		13,765,075	13,718,100		13,718,100	13,995,000		13,995,000
Assistance—Local Assistance	1111	171,482,589		171,482,589	173,836,400		173,836,400	172,023,700		172,023,700
Totals, Old Age Security		$185,827,132		$185,827,132	$188,184,919		$188,184,919	$186,714,283		$186,714,283
Medical Assistance for the Aged										
Administration—Support	696	$494,480		$494,480	$536,782		$536,782	$593,261		$593,261
Administration—Local Assistance	1114	3,027,327		3,027,327	2,747,600		2,747,600			
Assistance—Local Assistance	1111	51,625,727		51,625,727	43,436,500		43,436,500			
Totals, Medical Assistance for the Aged		$55,147,534		$55,147,534	$46,720,882		$46,720,882	$593,261		$593,261
Administration of Public Assistance Programs—										
Departmental Expenditures	1114	$9,790		$9,790	$4,923		$4,923	$5,188		$5,188
Totals, Public Assistance Programs		$446,873,416		$446,873,416	$491,706,235		$491,706,235	$485,734,172		$485,734,172
Less Public Assistance Program Savings								−6,000,000		−6,000,000
Child Welfare Services										
Support	696	$254,886		$254,886				$317,960		$317,960
Special Social Service Program	1115	4,172,434		4,172,434	21,256,345		21,256,345	25,291,780		25,291,780
Medical Assistance Program—Local Assistance	1131				53,236,900		53,236,900	291,920,700		291,920,700
Totals, Department of Social Welfare		$451,300,736		$451,300,736	$566,199,480		$566,199,480	$797,264,612	$61,340	$797,325,952
Totals, Health and Welfare		$474,278,980	$8,478,373	$482,757,353	$609,741,438	$11,576,648	$621,318,086	$853,158,744	$11,417,024	$864,575,768
DEPARTMENT OF INDUSTRIAL RELATIONS:										
Manpower Development and Training Act	704		$56,095	$56,095		$374,884	$374,884		$388,000	$388,000

Schedule 6—COMPARATIVE STATEMENT OF EXPENDITURES OF FEDERAL AID—Continued

Department	Page Reference	Actual 1964–65			Estimated 1965–66			Estimated 1966–67		
		Grants	Reimbursements and Special Projects	Total	Grants	Reimbursements and Special Projects	Total	Grants	Reimbursements and Special Projects	Total
MILITARY DEPARTMENT:										
Maintenance and Operations of Installations	729	$487,459		$487,459	$525,658		$525,658	$545,973		$545,973
Reimbursement for Civil Defense	731		$11,686	11,686		$13,171	13,171		$13,605	13,605
Army National Guard										
Operational Support	729		(15,686,454)	(15,686,454)		(17,506,000)	(17,506,000)		(17,506,000)	(17,506,000)
Drill Pay	729		(6,582,946)	(6,582,946)		(7,100,000)	(7,100,000)		(7,130,000)	(7,130,000)
Air National Guard										
Operational Support	729		(9,143,318)	(9,143,318)		(9,403,000)	(9,403,000)		(9,403,000)	(9,403,000)
Drill Pay	729		(2,160,521)	(2,160,521)		(2,326,500)	(2,326,500)		(2,379,000)	(2,379,000)
Totals, Military Department		$487,459	$11,686	$499,145	$525,658	$13,171	$538,829	$545,973	$13,605	$559,578
			(33,573,239)	(33,573,239)		(36,335,500)	(36,335,500)		(36,418,000)	(36,418,000)
RESOURCES:										
Resources Agency—Support	824							$266,788		$266,788
Department of Conservation										
Forest Fire Protection Cooperation (Clark-McNary)[a]	826	$1,115,000		$1,115,000	$1,076,080		$1,076,080	1,076,080		1,076,080
Assistance on Watershed Protection	844		$11,000	11,000		$11,000	11,000		$11,000	11,000
Assistance on Insect Infestation	844		5,299	5,299		15,000	15,000		15,000	15,000
Assistance on Forest Fire Research	844		11,671	11,671		12,486	12,486		12,486	12,486
Forest Management Cooperation	844		46,004	46,004		53,100	53,100		53,100	53,100
Agricultural Conservation Program	844		11,362	11,362		11,350	11,350		11,350	11,350
Eel River Basin Survey	844		5,000	5,000						
Protection of Forested Public Domain Lands	844		313,096	313,096		390,098	390,098		390,098	390,098
Protection of Nonforested Public Domain Lands	844		164,403	164,403		87,400	87,400		87,400	87,400
San Luis Patrol	844		21,145	21,145		25,872	25,872			
Oak Glen Job Corp Conservation Center	844		24,802	24,802		448,735	448,735		452,175	452,175
Totals, Department of Conservation		$1,115,000	$613,782	$1,728,782	$1,076,080	$1,055,041	$2,131,121	$1,076,080	$1,032,609	$2,108,689
Department of Fish and Game										
Game Management	848	$642,523		$642,523	$731,925		$731,925	$803,850		$803,850
Fisheries Management	848	325,537		325,537	351,000		351,000	372,975		372,975
Commercial Fisheries Program	861				69,000		69,000	180,000		180,000
Administration	861		$72,197	72,197		$156,860	156,860		$73,568	73,568
Staff Operations	861		40,301	40,301		45,860	45,860		65,035	65,035
Marine Resources Operations	861		17,423	17,423						
Regional Operations	861		220,910	220,910		281,850	281,850		291,767	291,767
Totals, Department of Fish and Game		$968,060	$350,831	$1,318,891	$1,151,925	$484,570	$1,636,495	$1,356,825	$430,370	$1,787,195
Department of Parks and Recreation										
Land and Water Conservation Fund Act	1139							$4,066,045		$4,066,045
Totals, Department of Parks and Recreation								$4,066,045		$4,066,045
Department of Water Resources										
Coordinated Statewide Planning	924		$44,194	$44,194						
Surface Water Quality Data	901								$4,500	$4,500
Salinity Measurements in the Delta	926		4,568	4,568		$5,084	$5,084			
North Coastal Flood Operations	908					200,000	200,000			
Advance Techniques for Water Resources Development	924		18,740	18,740						

[a] Reported as a grant but for budgetary purposes accounted as revenue.

Schedule 6—COMPARATIVE STATEMENT OF EXPENDITURES OF FEDERAL AID—Continued

Department	Page Reference	Actual 1904–05			Estimated 1905–06			Estimated 1906–07		
		Grants	Reimbursements and Special Projects	Total	Grants	Reimbursements and Special Projects	Total	Grants	Reimbursements and Special Projects	Total
RESOURCES—Continued										
Department of Water Resources—Continued										
Water Quality Control Board										
Construction of Waste Treatment Plants	958		(4,970,850)	(4,070,850)		(7,582,400)	(7,582,400)		(10,000,000)	(10,000,000)
San Francisco Bay-Delta Water Quality Study	058				$70,000		70,000			
Water Quality Control Board—Support	058	$205,132		205,132	210,000		210,000	$289,000		280,000
Totals, Department of Water Resources		$205,132	$07,502	$362,034	$280,000	$205,084	$494,084	$289,900	$4,500	$204,400
			(4,070,850)	(4,979,850)		(7,582,400)	(7,582,400)		(10,000,000)	(10,000,000)
Totals, Resources		$2,378,102	$1,032,115	$3,410,307	$2,517,005	$1,744,005	$4,202,000	$7,055,038	$1,407,479	$8,523,117
TRANSPORTATION:										
Department of Public Works										
Local Roads and Highways—Local Assistance	1150	$9,672,408		$9,672,408	$13,130,113		$13,130,113	$8,513,325		$8,513,325
VETERANS AFFAIRS:										
Veterans' Home of California										
Care and Maintenance of Veterans	1007	$1,492,800		$1,492,800	$1,575,210		$1,575,210	$1,022,425		$1,022,425
MISCELLANEOUS:										
San Francisco Port Authority										
Waste Treatment Works Construction	1020					($00,360)	($00,360)			
California Arts Commission	1014							$50,000		$50,000
Chili-California Project	1015	$589,333		$589,333	$600,000		600,000	780,000		780,000
Migrant Master Plan	1028				3,258,000		3,258,069	5,014,170		5,014,170
Poverty Reduction and Protection Program	1052							19,377,000		10,377,000
Totals, Miscellaneous		$589,333		$580,333	$3,858,069		$3,858,060	$20,121,170		$20,121,170
						(00,300)	(00,360)			
OTHER PURPOSES:										
Storm and Flood Damage Repair—Local Assistance	1162					$2,612,000	2,612,000		$1,430,000	1,430,000
Planning Grants for Local Jurisdictions—Local Assistance	1104	$1,039,205		$1,039,265	$1,100,000		$1,100,000	$1,300,000		$1,300,000
Totals, Other Purposes		$1,039,265		$1,039,205	$1,100,000	$2,012,000	$3,712,000	$1,300,000	$1,430,000	$2,736,000
SHARED REVENUES:										
Federal Receipts from Flood Control Land—Local Assistance	1100	$87,888		$87,888	$86,202		$80,202	$87,000		$87,000
Federal Receipts from Forest Reserves—Local Assistance	1100	5,100,349		5,190,349	5,061,300		5,061,300	5,100,000		5,100,000
Federal Receipts from Grazing Lands—Local Assistance	1160	01,912		61,912	49,054		40,054	50,000		50,000
Federal Potash Lease Rentals—Local Assistance	1106	447,860		447,860	465,830		405,830	405,000		405,000
Totals, Shared Revenues		$5,788,000		$5,788,009	$5,063,400		$5,603,400	$5,702,000		$5,702,000
TOTALS		$1,151,781,587	$325,729,523	$1,477,511,110	$1,425,934,680	$340,449,425	$1,706,384,105	$1,709,351,215	$347,685,172	$2,117,030,387
			(40,987,705)	(46,987,705)		(55,390,720)	(55,390,720)		(53,791,122)	(53,791,122)
Support		$630,488,162	$325,711,835	$950,190,907	$675,229,680	$337,817,425	$1,013,047,111	$763,094,123	$346,229,172	$1,109,023,205
			(46,087,705)	(46,987,705)		(55,390,720)	(55,390,720)		(53,791,122)	(53,701,122)
Local Assistance		521,293,425	17,688	521,311,113	750,704,994	2,032,000	753,330,004	1,005,057,092	1,450,000	1,007,113,002

Schedule 7—SUMMARY OF PROPOSED EXPENDITURES BY METHOD OF APPROPRIATION FOR THE FISCAL YEAR 1966–67

Function	Proposed Budget Act of 1966			Fixed Charges and Continuing Appropriations			Prior Year Appropriations and Reappropriations			Total Expenditure
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total	
SUPPORT										
CURRENT EXPENSES:										
Legislative	$12,740,884		$12,740,884	$720,000		$720,000		$443,109	$443,109	$13,903,993
Judicial	4,486,795		4,486,795	97,280		97,280				4,584,075
Executive	3,010,269		3,010,269							3,010,269
General Administration	15,748,619	$4,065,614	19,814,233				$112,056		112,056	19,926,289
Agriculture	13,058,793	10,125,807	23,184,600		$3,317,800	3,317,800				26,502,400
Corrections	115,956,559		115,956,559				150,952		150,952	116,107,511
Education	13,738,108		13,738,108							13,738,108
Higher Education	406,357,466	185,000	406,542,466							406,542,466
Employment		492,990	492,990							492,990
Fiscal Affairs	43,618,636	3,306,825	46,925,461							46,925,461
								(35,000)		(35,000)
Health and Welfare	221,329,054		221,329,054							221,329,054
Industrial Relations	20,938,223	191,378	21,129,601							21,129,601
Justice	16,507,376	105,344	16,612,720							16,612,720
Military Affairs	3,569,080		3,569,080							3,569,080
Regulations and Licensing	14,361,087	26,069,760	40,430,847					15,000	15,000	40,445,847
Resources	63,953,039	14,165,548	78,118,587				56,000		56,000	78,174,587
								(25,000)		
Transportation		121,331,620	121,331,620		81,513,529	81,513,529		385,000	385,000	203,230,149
Veterans Affairs	7,244,345		7,244,345							7,244,345
Miscellaneous	2,655,151		2,655,151	10,000		10,000	1,152		1,152	2,666,303
Debt Service	8,724,114		8,724,114	50,$21,025		50,821,025				59,545,139
Unallocated	63,102,232	14,795,280	77,897,512							77,897,512
Credits for Overhead Charges to Special Fund Agencies [a]	−7,200,000		−7,200,000							−7,200,000
Estimated Unidentified Savings [a]	−4,000,000		−4,000,000							−4,000,000
Increased Productivity Savings [a]	−15,000,000	−5,000,000	−20,000,000							−20,000,000
TOTALS, SUPPORT	$1,024,899,830	$189,835,166	$1,214,734,996	$51,648,305	$84,831,329	$136,479,634	$320,160	$843,109	$1,163,269	$1,352,377,899
General Fund										*$1,076,868,295*
Special Funds										*275,509,604*
State Construction Program Fund								*($35,000)*		*($35,000)*
State Beach, Park, Recreational and Historical Facilities Fund								*(25,000)*		*(25,000)*
LOCAL ASSISTANCE										
For Agriculture	$296,600		$296,600		$2,646,200	$2,646,200				$2,942,800
For Corrections	4,507,696		4,507,696				$180,000		$180,000	4,687,696
For Education	104,953,112		104,953,112	$1,124,855,740	2,550,000	1,127,405,740	300,000	$160,830	460,830	1,232,819,682
For Health and Welfare	74,954,045		74,954,045	499,187,000		499,187,000				574,141,045
For Resources	20,942,661		20,942,661		4,000,000	4,000,000	401,869		401,869	25,344,530
								(11,015,410)		(11,015,410)
For Transportation		$550,000	550,000		14,362,627	14,362,627				14,912,627
For Other Purposes	6,506,375	926,800	7,433,175	1,244,013	3,657,000	4,901,013	621,761	766,478	1,388,239	13,722,427
For Shared Revenues					456,500,000	456,500,000				456,500,000
TOTALS, LOCAL ASSISTANCE	$212,160,489	$1,476,800	$213,637,289	$1,625,286,753	$483,715,827	$2,109,002,580	$1,503,630	$927,308	$2,430,938	$2,325,070,807
General Fund										*$1,838,950,872*
Special Funds										*486,119,935*
State Beach, Park, Recreational and Historical Facilities Fund								*($11,015,410)*		*(11,015,410)*
TOTALS, OPERATIONS	$1,237,060,319	$191,311,966	$1,428,372,285	$1,676,935,058	$568,547,156	$2,245,482,214	$1,823,790	$1,770,417	$3,594,207	$3,677,448,706
General Fund										*$2,915,819,167*
Special Funds										*761,629,539*
State Construction Program Fund								*($35,000)*		*(35,000)*
State Beach, Park, Recreational and Historical Facilities Fund								*(11,040,410)*		*(11,040,410)*

[a] Not budget act items.

Schedule 8

COMPARATIVE STATEMENT OF FIXED CHARGES AND CONTROLLABLE EXPENDITURES FOR THE FISCAL YEARS 1964-65, 1965-66, AND 1966-67

Purpose and Legal Citation	Actual 1964–65			Estimated 1965–66			Estimated 1966–67		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
FIXED CHARGES									
FIXED BY CONSTITUTION:									
Legislative:									
Salaries of State Legislators:									
Section 2(b), Article IV	$709,937		$709,937	$720,000		$720,000	$720,000		$720,000
Debt Service:									
Bond Interest and Redemption:									
Various Bond Acts Ratified in the Constitution	30,454,111		30,454,111	37,174,407		37,174,407	50,821,025		50,821,025
Public School Buildings Bonds Ratified in the Constitution	45,411,436		45,411,436	50,505,362		50,505,362	51,661,450		51,661,450
TOTALS, CONSTITUTIONAL FIXED CHARGES	$76,575,484		$76,575,484	$88,399,769		$88,399,769	$103,202,475		$103,202,475
FIXED BY STATUTES:									
Judicial:									
Supreme and Appellate Courts:									
Contributions to Judges Retirement Fund, Section 75101, Government Code	82,796		82,796	93,680		93,680	97,280		97,280
Agriculture:									
District Agricultural Fairs:									
Sections 19622 and 19627, Business and Professions Code		3,375,500	3,375,500		3,315,700	3,315,700		3,317,800	3,317,800
County Agricultural Fairs:									
Sections 19622, 19626, 19627 and 19630, Business and Professions Code and Section 25903, Government Code		3,280,258	3,280,258		3,098,950	3,098,950		2,646,200	2,646,200
Education:									
Apportionment to Public Schools:									
Sections 17301, 17305.7, 17451–17456, 18251, 18270, 18303, 20211 and 6421–6434, 6441–6444, 6750–6762, 6916 Education Code	934,384,205	3,016,040	937,400,245	1,024,887,647	2,574,091	1,027,461,738	1,073,194,290	2,550,000	1,075,744,290
Health and Welfare:									
Aid to Blind:									
Section 15202, Welfare and Institutions Code	8,335,373		8,335,373	7,883,700		7,883,700	7,022,900		7,022,900
Section 14100, Welfare and Institutions Code	2,180,109		2,180,109	1,186,300		1,186,300			
Aid to Potentially Self-Support Blind:									
Section 15203, Welfare and Institutions Code	209,641		209,641	102,000		102,000	394,700		394,700
Section 14100, Welfare and Institutions Code	15,715		15,715	7,900		7,900			
Aid to Disabled:									
Section 15204, Welfare and Institutions Code	34,623,088		34,623,088	49,232,100		49,232,100	59,038,700		59,038,700
Section 14100, Welfare and Institutions Code	10,269,016		10,269,016	8,135,900		8,135,900			
Aid to Families with Dependent Children:									
Section 11200, Welfare and Institutions Code	109,581,818		109,581,818	122,298,200		122,298,200	136,297,800		136,297,800
Section 14100, Welfare and Institutions Code	6,453,329		6,453,329	6,628,500		6,628,500			
Old Age Security:									
Section 15201, Welfare and Institutions Code	150,745,229		150,745,229	148,218,400		148,218,400	149,444,700		149,444,700
Section 14100, Welfare and Institutions Code	12,584,254		12,584,254	9,005,900		9,005,900			
Medical Assistance for the Aged:									
Section 14601, Welfare and Institutions Code	27,304,414		27,304,414	19,980,800		19,980,800			

Schedule 8—FIXED CHARGES AND CONTROLLABLE EXPENDITURES—Continued

Purpose and Legal Citation	Actual 1964-65			Estimated 1965-66			Estimated 1966-67		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funde	Total
FIXED CHARGES—Continued									
FIXED BY STATUTES—Continued									
Health and Welfare—Continued									
Public Assistance Program Savings							—5,000,000		—5,000,000
Aid to victims of crimes of violence									
Section 11200, Welfare and Institutions Code				67,500		67,500	67,500		67,500
Chapter 4, Statutes of 1965, Second Extraordinary Session, Section 14157, Welfare and Institutions Code				53,236,900		53,236,900	151,920,700		151,920,700
Resources:									
Small Craft Harbors:									
Section 8352(g), Revenue and Taxation Code		2,000,000	2,000,000		4,000,000	4,000,000		4,000,000	4,000,000
Transportation:									
State Highways:									
Section 183, Streets and Highwaye Code, and Section 5323, Government Code		74,897,514	74,897,514		79,275,512	79,275,512		81,513,529	81,513,529
Sections 2210.5 and 143.3, Streets and Highwaye Code		7,502,971	7,502,971		8,671,139	8,671,139		7,997,700	7,997,700
Section 190, Streets and Highways Code		5,000,000	5,000,000		5,000,000	5,000,000		5,000,000	5,000,000
Section 1231.1, Public Utilities Code								250,000	250,000
County Airports:									
Section 8352, Revenue and Taxation Code		350,000	350,000		833,222	833,222		1,114,927	1,114,927
Miscellaneoue and Other Purposee:									
Judges of Superior and Municipal Courts:									
Contribution to Judges' Retirement Fund, Section 75101, Government Code	1,081,140		1,081,140	1,230,560		1,230,560	1,244,013		1,244,013
Personal Services Not Elsewhere Classified:									
Retirement Contributions, Section 20922, Government Code				10,000		10,000	10,000		10,000
Storm and Flood Damage Repair, Section 186.95, Streets and Highwaye Code					4,524,000	4,524,000		3,657,000	3,657,000
Shared Revenues:									
Apportionment of Liquor License Fees:									
Section 25761, Business and Professions Code		10,879,721	10,879,721		11,640,069	11,640,069		11,700,000	11,700,000
Apportionment of Motor Vehicles License Fees (In Lieu Tax):									
Sections 11003.3 and 11005, Revenue and Taxation Code		168,350,822	168,350,822		183,475,000	183,475,000		192,200,000	192,200,000
Apportionment of Highway Properties Rental Receipts:									
Section 104.10, Streets and Highways Code		819,800	819,800		750,000	750,000		800,000	800,000
Apportionment of Motor Vehicle Fuel Taxes to Counties:									
Sections 2104, 2105 and 2106, Streets and Highways Code		105,703,843	105,703,843		114,100,000	114,100,000		120,000,000	120,000,000
Apportionment of Motor Vehicle Fuel Taxes to Cities:									
Sections 194, 2107, and 2107.5, Streets and Highwaye Code		46,013,815	46,013,815		52,300,000	52,300,000		55,000,000	55,000,000
Apportionment of Motor Vehicle Fuel Taxes to Cities and Counties:									
Section 186.1, Streets and Highways Code		67,250,364	67,250,364		73,000,000	73,000,000		76,800,000	76,800,000
TOTALE, STATUTORY FIXED CHARGEE	$1,297,850,127	$498,440,648	$1,796,290,775	$1,452,205,987	$546,557,683	$1,998,763,670	$1,573,732,583	$568,547,156	$2,142,279,739
TOTALS, FIXED CHARGES	$1,374,425,611	$498,440,648	$1,872,866,259	$1,540,605,756	$546,557,683	$2,087,163,439	$1,676,935,058	$568,547,156	$2,245,482,214
Support	*$31,246,844*	*$78,273,014*	*$109,519,858*	*$37,998,087*	*$82,591,212*	*$120,589,299*	*$51,648,305*	*$84,831,329*	*$136,479,634*
Local Assistance	*1,343,178,767*	*420,167,634*	*1,763,346,401*	*1,502,607,669*	*463,966,471*	*1,966,574,140*	*1,625,286,753*	*483,715,827*	*2,109,002,580*

Schedule 8—FIXED CHARGES AND CONTROLLABLE EXPENDITURES—Continued

Purpose and Legal Citation	Actual 1964–65			Estimated 1965–66			Estimated 1966–67		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
CONTROLLABLE EXPENDITURES									
Expenditures from appropriations and authorizations which are subject to legislative or executive determinations, including Budget Act appropriations, special appropriations, balances available in prior year appropriations made available for expenditure for more than one fiscal year, and deficiency authorizations.									
Support	*$789,453,062*	*$136,569,343*	*$926,027,405*	*$903,075,602*	*$158,331,373*	*$1,061,406,975*	*$1,025,219,990*	*$190,678,275*	*$1,215,898,265*
Local Assistance	*152,191,035*	*2,814,912*	*155,005,947*	*172,387,493*	*2,766,990*	*175,154,483*	*213,664,119*	*2,404,108*	*216,068,227*
TOTALS, CONTROLLABLE EXPENDITURES	$941,649,097	$139,384,255	$1,081,033,352	$1,075,463,095	$161,098,363	$1,236,561,458	$1,238,884,109	$193,082,383	$1,431,966,492
TOTALS, OPERATIONS	$2,316,074,708	$637,824,903	$2,953,899,611	$2,616,068,851	$707,656,046	$3,323,724,897	$2,915,819,167	$761,629,539	$3,677,448,706

Schedule 9

Expenditures for the 1964-65 and 1965-66 Fiscal Years—RECONCILIATION OF THE CHANGES FROM THE PREVIOUS BUDGET ESTIMATES

	1964–65 Fiscal Year			1965–66 Fiscal Year								
	Estimated Expenditures 1964–65 Budget	Savings	Actual Expenditures	1965–66 Budget as Submitted	Effect of Legislative Action	Total Proposed Expenditures	Prior Year Balance Forward Adjustments	Transfers	Allocations	Deficiency Appropriations	Estimated Savings	Estimated Expenditures
GENERAL FUND												
SUPPORT												
Legislative	$10,129,341	$1,698,105	$11,727,446	$8,133,849	$4,682,406	$12,816,255	$36,935		$239,596		−$46,233	$13,046,553
Judicial	3,942,142	−96,377	3,845,765	4,067,517	63,260	4,130,777		$30,000	189,961		−40,398	4,310,340
Executive	2,640,247	−135,073	2,505,174	2,685,864	246,506	2,932,370		−162,008	266,119		−21,562	3,014,919
General Administration	13,320,526	−676,113	12,744,413	13,433,081	249,424	13,682,505	−17,859		602,885		−848,347	13,419,184
Agriculture	12,234,248	−343,431	11,890,817	10,097,761	2,413,915	12,511,676			488,085		−130,437	12,869,324
Corrections	98,472,262	−2,170,097	96,302,165	104,170,916	704,807	104,875,723		166,000	3,689,755		−382,774	108,348,704
Education	13,012,559	−377,601	12,634,958	12,516,855	675,952	13,192,807	2,888	−449,681	993,894		−137,681	13,602,227
Higher Education	302,026,686	−1,982,629	300,044,057	331,202,842	394,082	331,596,924			19,915,451		−1,458,147	350,054,228
Fiscal Affairs	37,417,208	−677,977	36,739,231	38,133,435	−286,972	37,846,463		872,050	1,939,035		−206,123	40,451,425
Health and Welfare	199,284,303	−3,435,871	195,848,432	208,026,791	4,169,637	212,196,428	908,478	[a]−1,271,000	8,920,805		−2,879,285	217,875,426
Highway Transportation	145,541	−18,589	126,952		161,905	161,905			5,144		−136,537	30,512
Industrial Relations	18,931,919	−925,910	18,006,009	19,951,229	53,596	20,004,825	13,349	−872,050	896,680		−76,745	19,966,059
Justice	11,230,052	−493,527	10,736,525	12,792,274	66,390	12,858,664			859,159		−68,184	13,649,639
Military Department	3,198,037	13,275	3,211,312	3,158,941	139,788	3,298,729			885,099		−28,859	4,154,969
Regulation and Licensing	13,253,612	−228,301	13,025,311	13,289,464	18,800	13,308,264			617,574		−130,615	13,795,223
Resources	55,066,939	−1,436,986	53,629,953	58,260,040	540,007	58,800,047	597		5,220,524		−497,804	63,523,364
Veterans Affairs	7,120,672	−90,927	7,029,745	6,620,442	−9,094	6,611,348			223,928		−78,485	6,756,791
Miscellaneous	1,105,617	−18,773	1,086,844	1,307,221	227,684	1,534,905	292	162,008	7,620		−72,198	1,632,627
Debt Service	31,795,779	−203,312	31,592,467	38,652,586	1,400,000	40,052,586					−1,115,780	38,936,806
Unallocated	5,206,804	−933,899	4,272,905	11,781,482	40,284,683	52,066,165	2,675,133		−45,934,970	[b]$5,400,000	−2,770,959	11,435,369
Pro Rata General Fiscal Charges	−6,000,000	−295,575	−6,295,575	−5,800,000		−5,800,000					−1,000,000	−6,800,000
Estimated Unidentified Savings	−3,000,000	3,000,000		−6,000,000	−1,500,000	−7,500,000					4,500,000	−3,000,000
Totals, Support	$830,534,494	−$9,829,588	$820,704,906	$886,482,590	$54,696,776	$941,179,366	$3,619,813	−$1,624,681	$26,344	$5,400,000	−$7,627,153	$941,073,689
LOCAL ASSISTANCE												
Agriculture	$171,556	−$192	$171,364	$171,600		$171,600					−$44	$171,556
Corrections	4,084,696	−254,933	3,829,763	4,183,975	$49,240	4,233,215	$360,000	−$166,000			−631,260	3,795,955
Education	1,052,812,154	−547,522	1,052,264,632	1,160,473,602	2,502,384	1,162,975,986	−8,951,230	449,681	$3,718		−1,598,608	1,152,879,547
Health and Welfare	420,320,306	−10,798,836	409,521,470	497,463,104	−10,963,945	486,499,159	3,276,996	[a]4,275,000	24,488		−4,957,108	489,118,535
Resources	26,162,274	−3,551,137	22,611,137	20,466,819	2,922,333	23,389,152	−499,809				−1,316,600	21,572,743
Other Purposes	6,947,572	23,864	6,971,436	6,797,274	707,518	7,504,792	4,500,000	−30,000			−4,517,966	7,456,826
Totals, Local Assistance	$1,510,498,558	−$15,128,756	$1,495,369,802	$1,689,556,374	−$4,782,470	$1,684,773,904	−$1,314,043	$4,528,681	$28,206		−$13,021,586	$1,674,995,162
Totals, Operations	$2,341,033,052	−$24,958,344	$2,316,074,708	$2,576,038,964	$49,914,306	$2,625,953,270	$2,305,770	[a]$3,004,000	[c]$54,550	$5,400,000	−$20,648,739	$2,616,068,851

[a] Transfers from General Fund as per Chapter 4, Statutes of 1965, Second Extraordinary Session for medical assistance program.
[b] Deficiency appropriation request to finance Emergency Fund.
[c] Additional allocations planned for 1965–66 fiscal year expenditures include $45,750 from the tort liabilities appropriation and −$3,900 intended for General Services from "unallocated" in the Capital Outlay presentation.

Schedule 9—Expenditures for the 1964-65 and 1965-66 Fiscal Years
RECONCILIATION OF THE CHANGES FROM THE PREVIOUS BUDGET ESTIMATES—Continued

	1964-65 Fiscal Year			1965-00 Fiscal Year								
	Estimated Expenditures 1964-65 Budget	Savings	Actual Expenditures	1965-66 Budget as Submitted	Effect of Legislative Action	Total Proposed Expenditures	Prior Year Balance Forward Adjustments	Transfers	Allocations	Deficiency Appropriations	Estimated Savings	Estimated Expenditures
SPECIAL FUNDS												
SUPPORT												
Legislative	$309,910	−$112,591	$197,319	$921,000		$921,000	$112,652				−$1,387,275	−$353,023
General Administration	3,922,866	−50,010	3,862,856	3,953,365		3,953,365			$194,027			4,147,002
Agriculture	13,181,472	−202,019	12,970,453	15,591,203	−$2,338,829	13,252,374	10,000		334,452		−290,037	13,306,789
Higher Education	260,000	−4,055	255,945	260,000		260,000			−34,000			220,000
Employment	475,640	−65,177	410,463	421,557	−75,000	340,557			66,889			413,446
Fiscal Affairs	3,077,200	−26,370	3,050,836	3,102,932	−4,140	3,098,792			181,505		−3,088	3,276,009
Highway Transportation	162,565,325	−2,686,164	150,879,161	169,702,981	5,040,059	175,349,040	2,502,783		3,743,545		−268,676	181,380,092
Industrial Relations	173,673	337	174,010	183,022		183,922						183,022
Justice	79,049	1,098	80,147	78,042		78,042			9,432			87,474
Regulation and Licensing	21,604,262	−635,110	21,029,152	23,057,004	144,050	23,201,554			1,732,094		−185,340	24,748,402
Resources	12,980,795	−120,422	12,854,373	13,095,858		13,095,858	490,210	−$489,210	409,705		−34,880	13,480,083
Unallocated	702,140	−633,498	68,642	554,896	19,066,303	19,621,199			−4,779,483		−14,823,517	18,199
Totals, Support	$219,392,338	−$4,549,981	$214,842,357	$230,922,760	$22,439,043	$253,361,803	$3,184,051	−$489,210	$1,858,766		−$10,003,410	$240,922,585
LOCAL ASSISTANCE												
Agriculture	$3,901,198	−$620,940	$3,280,258	$2,537,200		$2,537,200	$531,750		$30,000			$3,098,950
Education	3,734,985	−676,545	3,058,440	3,478,400	$370,871	3,849,271	−323,709	−$215,871			−$103,000	3,206,091
Health and Welfare					100,000	100,000					−100,000	
Highway Transportation	13,445,086	−391,737	13,053,349	13,438,939		13,438,939	25,552		1,665,005			15,129,550
Resources	2,000,000	−69,914	1,930,086	4,000,000		4,000,000						4,000,000
Other Purposes	2,485,743	156,305	2,642,048	792,350		792,350	−95,600	215,871	4,014,460		506,724	6,033,795
Shared Revenues	399,730,715	−712,351	399,018,355	440,984,183	−27,000,000	410,984,183					15,280,880	435,265,000
Totals, Local Assistance	$425,297,728	−$2,315,182	$422,982,546	$471,231,072	−$26,520,129	$444,701,943	$137,993		$6,309,515		$15,584,010	$466,733,401
Totals, Operations	$644,690,066	−$6,865,163	$637,824,903	$702,153,832	−$4,090,080	$698,063,746	$3,322,044	−$489,210	$8,168,281		−$1,409,409	$707,656,046

Schedule 10

STATEMENT OF BONDED DEBT OF THE STATE OF CALIFORNIA AS OF NOVEMBER 30, 1965

This statement does not include bonds issued under authority of state instrumentalities such as the Toll Bridge Authority, Water Project Authority, Board of Harbor Commissioners, World Trade Center Authority, State Colleges, and the University of California, as these bonds are not general obligations of the State of California.

Name of issue	Rate of interest	Date of maturity	Authorized	Unsold	Redemptions	Outstanding	Amounts in sinking funds for payment of principal
GENERAL OBLIGATION BONDS							
GENERAL FUND BONDS							
California Tenth Olympiad of 1927	4½%	1/2/1932–1971	$1,000,000		$850,000	$150,000	$133,551
State School Building Aid of 1949	1–4½%	1952–1978	250,000,000		116,000,000	134,000,000	[1]
State School Building Aid of 1952	¼–5%	1955–1990	185,000,000		53,600,000	131,400,000	
State School Building Aid of 1954	3¼–5%	1959–1984	100,000,000		23,100,000	76,900,000	
State School Building Aid of 1956	1–5%	1960–1985	100,000,000		17,800,000	82,200,000	
State School Building Aid of 1958	3–5%	1961–1987	220,000,000		26,600,000	193,400,000	
State School Building Aid of 1960	1/10–5%	1963–1990	300,000,000		17,600,000	282,400,000	
State School Building Aid of 1962	1/20–5%	1966–1991	200,000,000			200,000,000	
State School Building Aid of 1964	3–4½%	1967–1991	260,000,000	$210,000,000		50,000,000	
State Construction Program Bond Act of 1955	3¼–5%	1959–1985	200,000,000		33,800,000	166,200,000	
State Construction Program Bond Act of 1958	1/10–5%	1962–1989	200,000,000		17,600,000	182,400,000	
State Construction Program Bond Act of 1962	1/20–5%	1965–1991	270,000,000		1,600,000	268,400,000	
State Construction Program Bond Act of 1964	3.1–4.5%	1967–1991	380,000,000	300,000,000		80,000,000	
State Beach, Park, Recreational, and Historical Facilities Bond Act of 1964	3.1–4.5%	1967–1986	150,000,000	125,000,000		25,000,000	
Totals			$2,816,000,000	$635,000,000	$308,550,000	$1,872,450,000	$133,551
SELF-LIQUIDATING BONDS[2]							
California Water Resources Development Bond Act of 1959	1/20–5%	1973–2015	$1,750,000,000	$1,400,000,000		$350,000,000	
HARBOR BOND FUNDS							
San Francisco Harbor Improvement of 1909[3]	4%	1951–1985	$9,000,000		$6,706,000	$2,294,000	$57,437
San Francisco Harbor Improvement of 1913[4]	4%	1955–1989	10,000,000	550,000	6,230,000	3,220,000	67,810
San Francisco Harbor Improvement of 1929	1½–3¼%	1952–1983	10,000,000		4,560,000	5,440,000	228,333
India Basin of 1909[5]	4%	1941–1985	1,000,000	147,000	582,000	271,000	14,751
Harbor Development of 1958[6]	1–6%	1964–1990	60,000,000	17,500,000	1,480,000	41,020,000	573,227
Totals, Harbor Bond Funds			$90,000,000	$18,197,000	$19,558,000	$52,245,000	$941,558
VETERANS FARM AND HOME BUILDING FUND BONDS							
Veterans Welfare of 1943	1¼%	1947–1966	$30,000,000		$29,100,000	$900,000	
Veterans Welfare of 1946	2–2½%	1949–1971	100,000,000		73,910,000	26,090,000	
Veterans Welfare of 1949	1½–4%	1952–1972	100,000,000		64,100,000	35,900,000	
Veterans Welfare of 1951	1¾–2½%	1954–1975	150,000,000		77,750,000	72,250,000	
Veterans Welfare of 1954	¼–5%	1957–1977	175,000,000		65,900,000	109,100,000	
Veterans Welfare of 1956	1–5%	1958–1984	500,000,000		119,400,000	380,600,000	
Veterans Welfare of 1958	3¼–5%	1961–1986	300,000,000		36,900,000	263,100,000	
Veterans Welfare of 1960	1/20–5%	1962–1989	400,000,000		29,500,000	370,500,000	
Veterans Welfare of 1962	3–4½%	1966–1985	250,000,000	$200,000,000		50,000,000	
Totals, Veterans Farm and Home Building Fund Bonds			$2,005,000,000	$200,000,000	$496,560,000	$1,308,440,000	
TOTALS, SELF-LIQUIDATING BONDS			$3,845,000,000	$1,618,197,000	$516,118,000	$1,710,685,000	$941,558
TOTALS, ALL BONDS			$6,661,000,000	$2,253,197,000	$824,668,000	$3,583,135,000	$1,075,109
Less: Amounts in Sinking Funds available for payment of principal						1,075,109	
NET BONDED DEBT						$3,582,059,891	

[1] The school districts of the state pay part of the debt service for the state school building aid bond issues.

[2] The operating revenues of the California Water Resources Development Bond Fund, the San Francisco Harbor Improvement Fund, the Small Craft Harbor Improvement Fund and the Veterans Farm and Home Building Fund of 1943 service the debt service costs that are paid from the General Fund.

[3] Callable on or after July 2, 1951 by lot.

[4] Callable on or after July 2, 1955 by lot.

[5] Callable on or after January 1, 1941 by lot.

[6] Chapter 103, Statutes of 1958, First Extraordinary Session, authorized the issuance of $10,000,000 for the development of small craft harbors and the bonds have been sold. The chapter authorizes $50,000,000 for the development of the San Francisco Harbor and $32,500,000 in bonds have been sold.

CAPITAL OUTLAY BUDGET
AND
FIVE-YEAR CONSTRUCTION PROGRAM

Capital Outlay Budget
and
Five-year Construction Program

General Analysis

Schedules

1. Comparative Statement of Expenditures by Program Function, Organization Unit and Fund.
2. Comparative Statement of Expenditures of Federal Aid Granted to the State of California.
3. Summary of Proposed Expenditures by Method of Appropriation.
4. Comparative Statement of Fixed Charges and Controllable Expenditures.
5. Reconciliation of Changes from Previous Budget Estimates.

Detailed Budgets and Programs

Capital Budget 1966-67

and

Five-year Construction Program

Following the practice initiated last year, the state's capital budget is again being presented as a separate volume. Separate presentation of capital expenditures was adopted to preclude variations in the interpretation of expenditure and financing data that resulted from commingling current operations expenditures and those for capital outlays. Additionally, by isolating the capital budget it is possible to present clearer, more comprehensive explanations of the various recommended construction programs, to describe how they are to be financed, and to point up the differences in timing—current operations expenditures are for the costs of services and commodities which are paid for as received while capital expenditures are investments in physical facilities to meet anticipated needs several years hence.

As stated above, current operations expenditures are composed of the costs of the day-to-day functioning of state government. As such these costs are properly and appropriately payable from current resources. In contrast with current operations, capital expenditures are programmed to meet future needs and as a practical matter are financed from a variety of sources as determined by the nature of the facility.

At this point it is appropriate to call attention to and describe briefly the change that has been made in the format of this part of the budget. In keeping with the long-term character of capital expenditures, proposed projects and the costs thereof have been projected where feasible through the 1970–71 fiscal year. This document therefore combines the Capital Outlay Budget for the fiscal year July 1, 1966 to June 30, 1967 and the five-year State Building Program pursuant to Senate Resolution No. 15, 1954 First Extraordinary Session.

The consolidation required changes in the previous formats of both documents and necessitates the use of symbols to indicate the purpose of expenditures in those instances in which the purpose is not otherwise clearly identified. These symbols are as follows:

† Working drawings only.

‡ Construction or construction plus working drawings and equipment.

§ Equipment only.

Site acquisition.

Recommended Program Population growth which has been the major determinant in capital outlays continues to require substantial investments in physical facilities. Following the pattern of the current operations budget, the capital budget is presented in major programs: (1) the state building construction program; (2) the district fair construction program; (3) the parks and recreation acquisition and development program; (4) the wildlife conservation program; (5) the highway program; and (6) the California water facilities program. Proposed expenditures for these programs by fund in 1966–67 will be found in Table 1 below.

Table 1

CAPITAL OUTLAY EXPENDITURES FOR 1966–67 BY MAJOR PROGRAM

(In Thousands)

	Governmental cost funds	Bond issues	Total	Federal and non-state funds	Total program
State Building Program	$23,924.5	$175,121.6	$199,046.1	$149,523.6	$348,569.7
District Fairs	4,489.8	--	4,489.8	--	4,489.8
Wildlife Conservation	1,659.5	1,616.0	3,275.5	462.4	3,737.9
Parks and Recreation	14,839.5	48,874.4	63,713.9	2,806.5	66,520.4
Highways	314,792.3	--	314,792.3	339,409.4	654,201.7
Water Facilities	11,406.3	332,665.7	344,072.0	14,000.0	358,072.0
Totals	$371,111.9	$558,277.7	$929,389.6	$506,201.9	$1,435,591.5

Although "Program Augmentations" in the area of capital outlay are not as clear cut and positively identifiable as in current operations, an effort has been made to list projects falling within this classification. These are presented in Table 2 below. Generally, these projects are of such a nature as to be materially different from the kind of projects ordinarily included within the capital budget of the particular agency involved.

Table 2

PROGRAM AUGMENTATIONS 1966–67

Agency	Expenditures (General Fund)
Resources:	
Department of Water Resources	$350,000
District Fairs:	
1–A District Agricultural Association, San Francisco	2,803,975
22nd District Agricultural Association, Del Mar	250,000
Total	$3,403,975

STATE BUILDING PROGRAM

The state building program is composed of projects necessary to provide for increasing enrollments in the University of California and state colleges; for the treatment of mental and emotional disorders; to meet rising populations in our correctional institutions; and a limited number of projects for other functions of state government.

Higher Education

University of California

Five-year Program
(In Thousands)

1966–67	*1967–68*	*1968–69*	*1969–70*	*1970–71*	*Total*
$134,649	$169,019	$160,327	$109,700	$118,472	$692,167
66,015	*93,557*	*93,823*	*54,842*	*63,770*	*372,007* [a]
68,634	*75,462*	*66,504*	*54,858*	*54,702*	*320,160* [b]

[a] General Fund, State Construction Program Fund and unfunded.
[b] Federal and nonstate funds.

The 1966–67 Capital Outlay program for the University proposes a total expenditure of $134,649,145. Of this total $64,487,700 is proposed from the State Construetion Program Fund; $12,500,000 anticipated from the Higher Edueation Faeilities Act; $56,134,-245 from nonstate sourees; and $1,527,200 from the General Fund.

The proposed eonstruetion projeets will provide elassroom, teaehing laboratories, and related faeilities necessary for the program of instruetion and researeh. These related faeilities inelude faeulty offiee and researeh areas, libraries, general serviee areas, administration, utilities, and site development. Instruetion faeilities for the natural seienees and engineering require 39 pereent of the proposed expenditures. The soeial seienees, arts, and humanities aeeount for 18 pereent, while libraries require 11 pereent. Other major eategories are 10 percent for equipment, 16 pereent for utilities and site development, and 6 pereent for miseellaneous faeilities.

The eampuses with the most rapid enrollment increases, Santa Barbara and Davis, eonstitute 39 pereent of the total 1966–67 major eapital outlay request. The three new general campuses, San Diego, Santa Cruz, and Irvine, aeeount for 31 pereent of the 1966–67 program, refleeting the need to maintain suffieient eapaeity to aeeommodate the rapid rate of growth in enrollments antieipated on these sites. Expenditures for the Berkeley and Los Angeles eampuses represent only 11 pereent of this proposal beeause they have nearly reaehed their enrollment eeiling. Expenditures for the medieal schools at San Franeisco, San Diego, Los Angeles, and the California College of Medieine represent 6 pereent of the University program.

The 5-year building program for the University throngh the years 1966–67 to 1970–71 reflects the need for funds to provide additional physical faeilities suffieient to house an estimated increase of 21,000 students in the University System in the next 5 years. An additional 11,300 students will be aeeommodated by 1970–71 without need for signifieant physieal plant expansion through the implementation of year-round operation. Major construction projeets proposed for working drawings in 1966–67 would be available for ocenpancy by 1969–70 fiscal year.

State Colleges

Five-year Program
(In Thousands)

1966–67	*1967–68*	*1968–69*	*1969–70*	*1970–71*	*Total*
$127,974	$122,978	$129,304	$85,390	$102,411	$568,057
60,695	*72,534*	*76,813*	*51,683*	*50,944*	*312,669* [a]
67,279	*50,444*	*52,491*	*33,707*	*51,467*	*255,388* [b]

[a] General Fund, State Construction Program Fund and unfunded.
[b] Federal and nonstate funds.

The 1966–67 Budget for the state colleges totals $127,974,500 of which $59,629,000 is proposed from the State Construetion Program Fund; $16,544,700 antieipated from the Higher Education Faeilities Aet; $50,734,300 from nonstate sourees and $1,-066,500 from the General Fund; $9,341,500 represents funds needed to eonstruet and equip the initial permanent facilities for the State College at Palos Verdes whieh has been delayed due to unforeseen site aequisition problems.

The 1966–67 appropriations inelude $14.8 million, or 19.4 pereent of the total for 12 seienee and engineering projects; 3.1 million, or 4 pereent of the total for 5 physieal edneation projeets; $0.3 million, or 0.3 pereent of the total for 3 musie, speech and drama projects; $5.5 million, or 7.3 percent for 14 multipurpose elassroom projeets; and $5.5 million, or 7.2 pereent of the total for site development projects at 12 state eolleges. Also inelnded in the total is $11,892,800 for land acquisition for future expansion at 6 state eolleges; $25.3 million for working drawings and/or eonstruction projeets for libraries, eafeterias, speeial purpose faeilities, eorporation yards, administration buildings, boiler plants, and remodeling projeets at 14 eolleges and $8,709,300, or 11.4 percent of the total for equipment at several eolleges. A total of $1.1 million is ineluded in this budget for minor eapital outlay projeets at all the state eolleges.

The Board of Trustees of the California State Colleges was ereated by Chapter 49, Statutes of 1960, 1st Extraordinary Session, and on July 1, 1961, took over the powers, duties and funetions previously vested in the State Board of Edneation and the Director of Edueation relative to the administration of the state eolleges. One of the major funetions of this board of trustees and its administrative staff is the planning of 18 eolleges oeeupying basically 19 physieal plants, ineluding the new site for Palos Verdes and the new eampus for Kern County, the California State Polyteehnie College eonsisting of 2 eampuses: the Kellogg-Voorhis Campns at Pomona and the seeond at San Luis Obispo. It is anticipated that in the period 1966–67 through 1970–71 the statewide enrollments will rise from 113,700 to 149,030. The 5-year Capital Outlay building program estimates the faeilities needed to properly provide for this increase of 35,330 FTE.

Junior Colleges

Five-year Program
(In Thousands)

1966–67	*1967–68*	*1968–69*	*1969–70*	*1970–71*	*Total*
$7,503	$6,039	$4,096	$8,782	$10,521	$36,941

In past years the Legislature has appropriated sums of moneys for Junior College construetion assistanee without any definite plan for providing state funds on a continuing basis. Reeognizing this need, the Legislature during the 1965 session passed SB 318 whieh provided the vehicle for a shared state and loeal distriet Junior College capital outlay program on a continuing basis.

State Construction Program Bond funds in the amount of $50 million were provided in the 1964 General Election for the Junior Colleges. Of this amount $25,122,000 was approved by the Legislature in the 1965–66 Budget subject to the enactment of SB 318. Beeause of the timing involved this amount was ap-

propriated to the Department of Education in a lump sum for allocation without legislative review.

Under the provisions of SB 318 the Junior College capital outlay projects will be itemized in the budget for the first time. This budget, therefore, will provide for an appropriation of $7,502,440 from the State Construction Program Fund to the Department of Education which in turn will be allocated to the Junior College districts in accordance with the schedule noted in the expenditure detail of this budget.

Department of Education

Five-year Program
(In Thousands)

1966–67	*1967–68*	*1968–69*	*1969–70*	*1970–71*	*Total*
$196	$272	$1,779	$170	$100	$2,517
138	*272*	*1,779*	*170*	*100*	*2,459* [a]
58	–	–	–	–	*58* [b]

[a] General Fund, State Construction Program Fund and unfunded.
[b] Federal funds.

The Department of Education administers 5 special schools for physically handicapped children, including 1 for education of the blind, 2 for the education for the deaf and 2 for the diagnosis and education evaluation of cerebral palsied children. The 1966–67 Budget for the Department of Education totals $196,215 of which $138,565 is from the General Fund and $57,650 is anticipated from federal sources. The projects proposed for the budget year include: 3 minor projects totaling $60,000 for the School for the Blind at Berkeley; 1 minor project totaling $5,300 for the School for Cerebral Palsied Children, northern California; 1 major project to provide an addition to the vocational training building, for which matching federal funds are being provided; and 2 minor projects totaling $58,650 for the School for the Deaf at Berkeley and 6 minor projects and an addition to the print shop totaling $14,615 for the School for the Deaf at Riverside.

Health and Welfare

Mental Hygiene

Five-year Program
(In Thousands)

1966–67	*1967–68*	*1968–69*	*1969–70*	*1970–71*	*Total*
$13,055	$54,546	$35,812	$11,365	$20,075	$134,853
9,322	*54,546*	*35,812*	*11,365*	*20,075*	*131,120* [a]
3,733	–	–	–	–	*3,733* [b]

[a] General Fund, State Construction Program Fund and unfunded.
[b] Federal funds.

The Department of Mental Hygiene's capital outlay projects in the budget year total $13,054,829. This total includes $3,733,000 in federal funds. The federal funds will provide partial financing for the expansion of the Neuropsychiatric Institute at the University of California, Los Angeles. The budget proposes $800,000 for project planning and working drawings for the replacement of the Langley Porter Neuropsychiatric Institute in San Francisco. The expansion of these two facilities is required to meet the increasing number of students at these two locations. $2,000,000 is provided to improve ward environmental conditions throughout the state hospitals which is a continuation of a program initially funded in 1965–66. An amount of $441,600 is proposed to remodel two wards at the Agnews State Hospital to provide a program for the mentally retarded. Included in the total is $1,467,043 for minor projects to improve and correct deficiencies and to maintain existing facilities. In addition thereto, an amount is provided for the air conditioning of ward buildings at Napa State Hospital and Atascadero State Hospital.

Projected five-year needs are for $134 million to provide an upgrading of existing facilities as well as the provision of additional facilities of a specialized nature in combating the problems of mental retardation and mental illness with special emphasis on diagnosis, treatment, training, research, rehabilitation and prevention.

Department of Public Health

Five-year Program
(In Thousands)

1966–67	*1967–68*	*1968–69*	*1969–70*	*1970–71*	*Total*
–	$450	$5,675	–	–	$6,125

The only capital outlay project anticipated for the Department of Public Health during the next 5 years is an annex to the laboratory in Berkeley. In order to relieve overcrowded conditions in the existing laboratory facilities and to provide for anticipated program needs approximately 34,000 net square feet of laboratory space will be required. In addition, approximately 20,000 net square feet of office space not related to the laboratory function are proposed. The office space will be designed to allow for future conversion to laboratory space when needed. Working drawings are contemplated for 1967–68 with construction scheduled for 1968–69.

Department of Rehabilitation

Five-year Program
(In Thousands)

1966–67	*1967–68*	*1968–69*	*1969–70*	*1970–71*	*Total*
$6,408	$1,600	–	–	–	$8,008
6,402	–	–	–	–	*6,402* [a]
6	*1,600*	–	–	–	*1,606* [b]

[a] General Fund, State Construction Program Fund and unfunded.
[b] Federal funds.

The $8,008,000 capital outlay program for the Department of Rehabilitation is the total of the present anticipated five-year plan shown, all of which is proposed in the budget year. Of this amount, $8,000,000 is for construction funds for a new institution to be located on the grounds of Agnews State Hospital at San Jose. The new institution will have a capacity of 500 to serve the mentally retarded who do not need intensive medical and psychiatric treatment, but who do require protective living environment. The master plan for this new institution provides for cottages of a capacity of 22 each and related teaching facilities to accomplish this purpose. Nothing is shown in the future years of the five-year plan as the proposed project is the first of this kind of a state institution and a futnre master plan for additional centers has not been developed to date. Advance for the federal share of this project is $1,600,000. A project to convert an area into a lanndry room at the Orientation Center for the Blind at Albany accounts for $8,000 of the total.

Corrections

Youth Authority

Five-year Program
(In Thousands)

1966–67	1967–68	1968–69	1969–70	1970–71	Total
$21,890	$16,509	$1,625	$471	$471	$40,966

The 1966–67 proposed capital outlay program for the Department of the Youth Authority is $21,890,195 in total. The major portion of this amount is for the development of projected capacity requirements, particularly in the southern part of the state. Construction funds in the amount of $19,506,500 for the new proposed Southern California Youth Center will provide central administration facilities for the center, a 375-bed reception center for older boys, and a new Medical-Psychiatric Institution with a capacity of 488 beds which will be adequate to meet the Department's needs for the entire state. Working drawings funds were provided for these three projects in 1965–66. Working drawings funds are proposed in the amount of $521,800 for a 400-bed older boys institution at the Northern California Youth Center. This will be the fourth institution at this center. During the fiscal year, Institution No. 2 will be completed for which $491,000 is proposed for equipping the same. The balance for the major projects will equip two Youth Authority Conservation Camps for boys, replace an existing boiler and provide a communication and sound security system at Fred C. Nelles School for Boys, water storage tanks and a control-treatment-visiting and clothing building at the Fricot Ranch School for Boys of which funds were provided for the clothing building in 1965–66. Provisions are also made for a sound security system at Los Guilucos School for Girls. Minor projects included in the total will provide necessary alterations and improvements for the existing older institutions.

The total projected five-year construction program of $40,966,000 for the department, most all of which is shown in the first three years, by 1969 provides capacity to meet the agency program population estimates. From current capacity to the close of the five-year period, capacity will be increased by 2,549. This increase will be mainly in the Northern California Youth Center (1,265) and the Southern California Youth Center (896). However, by the end of the five-year period the estimated population will again be in excess of the net capacity, and will require further program planning to meet the needs of the department. The present projects under construction or in the planning stage will provide those facilities that are vitally essential for the rehabilitation of youths committed by the juvenile and criminal courts to the custody of the Department of the Youth Authority.

Department of Corrections

Five-year Program
(In Thousands)

1966–67	1967–68	1968–69	1969–70	1970–71	Total
$7,235	$29,111	$28,276	$25,282	$23,702	$113,606

The total proposed capital outlay expenditures for the Department of Corrections in the budget year is $7,234,519, most of which is to provide added capacity to house the expanding prison population. Two new institutions are under consideration, a new Special Security Facility at Vacaville with a capacity of 1,400 for which the balance of $650,000 is required for working drawings and a new Medical Correctional Institution to be located in the southern part of the state. For the latter institution, acquisition and plans money are provided in the amount of $1,430,000. The second phase of replacing and equipping the old barracks of the South Facility at the Training Facility at Soledad as well as providing for the replacement of the sewer outfall line and steam lines will account for $973,235 of the total. The first phase of replacing barracks at the Institution for Men, Chino, which will provide housing for 160 men, is proposed at a cost of $445,100. Equipment in the amount of $1,048,000 will be required for the new 640-man medium security facility now under construction at Tehachapi. Other major projects under consideration are to provide a new laundry and vocational shop at San Quentin which will require $1,325,550, to replace the salt water lines to fresh water at the same institution at a cost of $115,000, to replace a boiler at the Rehabilitation Center, Corona, costing $120,300, and to provide domestic water supply at the Deuel Vocational Institution at a cost of $300,000.

The projected total five-year construction program of $113,606,419 for the department is essentially designed to meet the anticipated population growth as shown in the table on Summary of Population, Capacities and Overcrowding. Increased capacity from the end of the current year to the close of the five-year period will total 5,057. This increase will be principally in the new institution at Tehachapi (640), the Special Security Facility at Vacaville (1,400), and the Medical Correctional Institution in Southern California (1,600). The proposed facilities will relieve the present overcrowded conditions and provide the necessary custody and treatment requirements of a modern penal system.

Other

Forestry

Five-year Program
(In Thousands)

1966–67	1967–68	1968–69	1969–70	1970–71	Total
$3,197	$5,147	$7,374	$5,536	$5,017	$26,272

The Division of Forestry operates 234 forest fire stations, 81 lookouts and 29 air attack bases through a system of 32 ranger unit headquarters and six district headquarters. A conservation camp program is also operated by the division in conjunction with the Departments of Youth Authority and Corrections. This program now consists of 34 permanent camps and two seasonal camps. Projected five-year needs total $26.3 million and will provide additional fire station facilities, ranger unit headquarters, district and training centers and conservation camps. The 1966–67 budget proposes total expenditures of $3.2 million for two new fire stations, replacement of three existing fire stations and two ranger unit headquarter facilities along with acquisition of lookout sites. Included is the replacement of facilities at an existing conservation camp and a new permanent site for an existing seasonal camp.

Veterans Affairs

Five-year Program
(In Thousands)

1966–67	1967–68	1968–69	1969–70	1970–71	Total
$1,347	$1,246	$205	$414	$714	$3,927

Improvements to the Veterans' Home of California are proposed for $1.3 million. An addition and alterations to the Medical Treatment Center will be accomplished at $0.6 million and conversion of an old domiciliary barracks to a nursing facility is anticipated at $0.3 million. Other projects provide for painting and minor projects at this 2,400-bed facility for former members of the armed services. Projected five-year needs are for $3.9 million to provide alterations and additions to the dining hall, a water treatment plant, members' recreational facilities and a women's addition.

Office Buildings and Related Facilities

General Administration

Five-year Program
(In Thousands)

1966–67	1967–68	1968–69	1969–70	1970–71	Total
$6,306	$13,520	$17,462	$15,600	$10,900	$63,788

The 1966–67 capital outlay program for General Services for the budget year is relatively small in comparison to the two new office buildings and the central heating and cooling plant in Sacramento funded in 1965–66. The major projects proposed for 1966–67 principally are for the alteration and modernization of existing buildings to improve utilization and correct deficiencies, and to meet the anticipated client agency needs for the next year. These agency needs are principally located in San Francisco and Los Angeles areas which account for $444,600 and $120,000 respectively of the total amount proposed. An amount of $500,000 will be provided in the Department of Finance's budget for the continuation of acquiring land in accordance with the California State Capitol Plan. It is proposed to provide $200,000 for working drawings of a state office building in San Jose to meet the projected space requirements in that area. $100,000 is included for the continued land acquisition program for obtaining mountaintops for radio vault sites. The San Bernardino State Office Building now under construction and nearing completion will require equipment at an estimated cost of $31,530.

The five-year program totals $63,788,300 and provides office and related facilities for most state agencies. The type of facilities furnished include office buildings, warehouses, radio communication facilities such as sites for vaults for housing microwave and other radio installations.

Vehicle Regulation

Five-year Program
(In Thousands)

1966–67	1967–68	1968–69	1969–70	1970–71	Total
$6,291	$11,428	$3,961	$11,863	$3,806	$37,349

The 1966–67 capital outlay budget proposes $2.5 million for the California Highway Patrol and $3.7 million for the Department of Motor Vehicles. The Highway Patrol request provides $0.5 million for 5 site acquisition projects, $1.8 million for construction of 3 major projects, minor projects and planning. Another $225,000 is included for working drawings for an annex to the headquarters building to house additional administrative staff related to the increased number of uniformed traffic officers.

For the Department of Motor Vehicles $2.6 million is proposed for eight site acquisition projects and $1.1 for two major construction projects and minor projects. The projected five-year program needs for the Highway Patrol and Motor Vehicles total $37.3 million to provide field offices and necessary additional headquarters office space.

DISTRICT FAIR CONSTRUCTION

This budget provides $4,489,775 in appropriations for construction and loans for district agricultural association projects. These funds provide for major construction projects at various county and district agricultural associations and citrus fruits fairs which are detailed in the fair supplement budget. Also included here is a loan to the 1-A District Agriculture Association (Cow Palace—San Francisco) to improve the arena to attract a National Hockey League franchise, a loan to the 22nd District Agriculture Association (Del Mar—San Diego County) to acquire land for a parking lot, and an alteration and improvement project at the 1-A District Agriculture Association to provide minimum fire and safety protection.

PARKS AND RECREATION

Five-year Program
(In Thousands)

1966–67	1967–68	1968–69	1969–70	1970–71	Total
$66,520	$33,670	$38,763	$30,631	$34,626	$204,210

The State Park System consists of over 190 units throughout the state. For acquisition and development of this system $66.5 million is proposed in 1966–67. Of this, $15 million is proposed from the General Fund, an increase of $7.5 million from that appropriated for 1965–66. The increase is attributable to a rise of $6.6 million for on-shore development of recreation projects associated with the State Water Project. a new program for $0.9 million to provide immediate public use facilities, and $0.9 million for a deferred maintenance repair program. In addition, $48.9 million is proposed from the State Beach, Park, Recreational and Historical Facilities Fund. Some 25 acquisition projects are proposed from the bond program authorized by the voters in November 1964. Previously 10 projects were approved by the Legislature during the 1965 session and funds are proposed for development of 5 of these as part of this budget. In total, the projects proposed from all funds for 1966–67 will provide 1,344 camp sites, 1,700 picnic units, parking for an additional 2,600 cars and 5 boat launching facilities.

Projected needs total $204.2 million to provide recreational facilities. Proposed projects include acquisition, development of campsites and picnic facilities, and related utilities, roads and service areas.

WILDLIFE CONSERVATION

Five-year Program
(In Thousands)

1966–67	*1967–68*	*1968–69*	*1969–70*	*1970–71*	*Total*
$3,738	$5,698	$1,350	$1,010	$1,155	$12,951

The total capital outlay expenditure proposed for protection, propagation and management of the state's fish and wildlife resources is $3.7 million. Of this $0.85 million is for the Department of Fish and Game for replacement of their outdated radio system and miscellaneous other projects. A total of $2.8 million is proposed for the Wildlife Conservation Board. Continuation of the program for providing hunting and fishing access; fish hatchery, stocking and habitat development projects and game habitat improvement is proposed at $0.8 million. In addition, use of federal Land and Water Conservation Fund Act resources is anticipated at $0.4 million for extension of the program.

Under the State Beach, Park, Recreational and Historical Facilities Bond Act of 1964 $5 million was made available for appropriation to the Wildlife Conservation Board. The 1965 Legislature appropriated $0.98 million for developing the wildlife program of the board. This budget proposes the second year's funding of $1.6 million to be used mostly for improvement and expansion of trout and salmon hatchery operations.

The five-year program totals $12.9 million and projects proposed beyond the budget year will provide for additional fish hatchery capacity, office facilities, patrol vessels and related fish and wildlife enhancement.

HIGHWAYS

The state highway budget is prepared under the direction of the State Highway Commission and, in accordance with law, must be submitted to the Legislature without modification by the Governor. It is included here to provide a comprehensive report of state expenditures.

The capital outlay portion of the budget adopted by the State Highway Commission includes $314.8 million in funds derived from state sources and $339.4 million in federal funds. This capital outlay program provides construction funds for about 320 miles of new multilane freeways and adding lanes on another 29 miles of existing freeways. Funds are also provided for traffic safety and operational improvement projects, particularly at points of accident concentration. These range from easing curves, installing or modifying signals, construction of left-turn storage lanes, applying anti-skid treatment to the road surface, and many more.

Major construction effort in the new budget continues the state's 2,166-mile share of the national system of interstate and defense highways. Of the federal funds in this budget, $289 million is designated for interstate system routes, which federal law requires be completed by 1972.

CALIFORNIA WATER FACILITIES

Five-year Program
(In Thousands)

1966–67	*1967–68*	*1968–69*	*1969–70*	*1970–71*	*Total*
$344,072	$382,750	$381,698	$315,969	$264,152	$1,688,641

As the State Water Project enters its fifth year of construction, work under contract now represents over 50 percent of the completed project and is still on schedule both as to timing and financing. The placement of embankment material for Oroville Dam is now approximately 45 percent complete with work scheduled on the Oroville Dam complex estimated at $86.8 million during 1966–67.

Construction activity will continue on the North and South San Joaquin Divisions of the aqueduct and on San Luis Dam and Reservoir and a major increase in construction on the East and West Branch Divisions in Southern California during 1966–67.

The 1966–67 Budget contains $350,000 for construction of facilities to distribute water generated by a new sea water conversion plant to be built near San Diego. This federal plant is being built to replace the facility at Point Loma which is now serving the U.S. military in Cuba. The state will market this water at a rate sufficient to recover the cost of construction of the distribution facilities.

California Water Project expenditures for 1966–67 will total $344 million, an increase of $50 million over the current year level.

The balance of the five-year program is directed towards continued construction of the State Water Project from Oroville Dam to Perris Reservoir (completion scheduled for 1972) and the development of Eel River facilities.

Method of Financing One of the main obstacles to a simple presentation of the capital budget is the multiplicity of sources of financing and the accounting treatment of expenditures from these sources. This was referred to briefly in the first part of this analysis. Stated somewhat more fully, these sources are:

1. Current revenues and any accumulated balances in governmental cost funds. These are moneys collected in the form of taxes, license and permit fees, interest on investments, and similar items of income.
2. The proceeds from the sale of general obligation bonds which bonds are secured by the "full faith and credit" of the state. Outstanding bonds of this kind are (a) State Construction Program bonds, and (b) State Beach, Park, Recreational, and Historical Facilities bonds. The repayment of principal and interest on such indebtedness constitutes a preferred claim on the financial resources of the state. Within this classification falls a special category referred to as "self-liquidating" bonds. Bonds in this category are the California Water Resources development bonds. In the case of this special grouping, such bonds although legally possessed of the characteristics of general obligation bonds are serviced from the revenues produced by the ventures or projects financed in this manner.
3. Revenue bonds are those that are secured solely by the income derived from the use or operation of the facilities funded by this method.
4. Trust certificates represent a form of capital financing which makes use of the large balances accumulated in trust accounts or funds of the state. Because such funds are dedicated to meet

future obligations, sound fiscal management dictates the investment of the currently unneeded cash in these accounts and funds. One way of investing these moneys is by the purchase of trust certificates issued by the state for the construction of general purpose office buildings.

5. Direct loans authorized by the Legislature from the accumulated balances in certain special funds and other dedicated moneys in the Treasury which are surplus to immediate future disbursements.
6. Nonstate funds such as endowments, grants, and certain other funds as payments of overhead charges on research projects conducted by the University represent yet another source of capital financing.

To provide a complete and comprehensive picture of the state's capital outlay program all proposed projects are included in the capital budget regardless of the source of financing although financing has been shown for the 1964–65, 1965–66, and 1966–67 fiscal years only. Following the generally accepted principles of governmental accounting, however, only expenditures from governmental cost funds are included in the budget totals. Expenditures from bond proceeds and other forms of borrowing are excluded—such expenditures are reported as expenditures of the fiscal years in which the payments on principal and interest are made.

Programs and Projects

The foregoing provides a generalized description of the state's capital budget. In the detailed schedules that follow, each program and its constituent projects are fully set forth. Particular attention is invited to Schedule I which summarizes the total expenditures by program, agency, and source of funds.

Schedule 1 — Capital Outlay

COMPARATIVE STATEMENT OF EXPENDITURES BY PROGRAM, FUNCTION, ORGANIZATION UNIT AND FUND FOR FISCAL YEARS 1964-65, 1965-66, AND 1966-67

Organization Unit	Page Reference	Actual 1964-65				Estimated 1965-66				Estimated 1966-67			
		General Fund	Special Funds	Total	Bond Funds[1]	General Fund	Special Funds	Total	Bond Funds[1]	General Fund	Special Funds	Total	Bond Funds[1]
STATE BUILDING PROGRAM													
Executive:													
California Disaster Office	1	$395		$395		$98,055		$98,055		$67,300		$67,300	
Administration:													
Department of General Services	3	1,787,530		1,787,530	$445	1,575,663		1,575,663	$28,316,680	2,214,460		2,214,460	
State Fair and Exposition	3	1,849		1,849		2,118,538		2,118,538		4,091,645		4,091,645	
Totals, Administration	3	$1,789,379		$1,789,379	$445	$3,694,201		$3,694,201	$28,316,680	$6,306,105		$6,306,105	
Agriculture:													
Department of Agriculture	8	$432		$432		$8,600		$8,600	$446,805	$304,756		$304,756	
Department of Agriculture	8		[a]($13,900)				[a]($6,900)				[a]($122,744)		
Museum of Science and Industry	8	2,668	[b]114,212	116,880		223,758	[b]124,149	347,907		−5,140	[b]65,090	59,950	
Totals, Agriculture	8	$3,100	[b]$114,212 [a](13,900)	$117,312		$232,358	[b]$124,149 [a](6,900)	$356,507	$446,805	$299,616	[b]$65,090 [a](122,744)	$364,706	
Corrections:													
Department of Corrections:													
Departmental Administration	12									$70,000		$70,000	
California Conservation Center	12	$7,887		$7,887	$2,138,584	$50,133		$50,133	$645,971	12,000		12,000	
Sierra Conservation Center	12				672,352				727,648				
Southern Conservation Center	12	9,138		9,138		82,173		82,173		35,239		35,239	
Correctional Institution at Tehachapi	12	24,692		24,692	8,488,661	6,973		6,973	639,139	20,000		20,000	$1,048,000
Correctional Training Facility	12	33,411		33,411	2,310	156,267		156,267	493,600	443,248		443,248	709,600
Deuel Vocational Institution	12	65,281		65,281	2,479	106,848		106,848	264,000	327,484		327,484	
State Prison at Folsom	13	120,225		120,225		110,089		110,089		118,315		118,315	
Institution for Men	13	70,934		70,934	18,593	86,720		86,720	6,407	258,520		258,520	445,100
Medical Correctional Institution	13				2,153				297,847				1,430,000
Medical Facility	13	−47		−47	112,229	16,813		16,813	335,262				
Men's Colony—East Facility	13	23,860		23,860	1,105,922	10,734		10,734	55,078	12,796		12,796	
Men's Colony—West Facility	13	13,048		13,048		5,444		5,444		10,056		10,056	
Special Security Facility	13												650,000
State Prison at San Quentin	13	83,820		83,820	845,582	239,058		239,058	437,348	146,790		146,790	1,325,550
Institution for Women	13	6,387		6,387	884,838	65,593		65,593	102,882	51,521		51,521	
Rehabilitation Center	13				478,150					120,300		120,300	
Totals, Department of Corrections	13	$458,636		$458,636	$14,751,853	$936,845		$936,845	$4,005,182	$1,626,269		$1,626,269	$5,608,250

[1] From State Construction Program Fund unless otherwise indicated—not included in overall budget totals.
[a] From the Department of Agriculture Building Fund—not included in overall budget totals.
[b] From the California Museum of Science and Industry Fund.

Schedule 1 — Capital Outlay. COMPARATIVE STATEMENT OF EXPENDITURES — Continued

Organization Unit	Page Reference	Actual 1964–65				Estimated 1965–66				Estimated 1966–67			
		General Fund	Special Funds	Total	Bond Funds[1]	General Fund	Special Funds	Total	Bond Funds[1]	General Fund	Special Funds	Total	Bond Funds[1]
STATE BUILDING PROGRAM—Continued													
Corrections—Continued													
Department of the Youth Authority:													
Northern California Reception Center and Clinic	36	$22,470		$22,470		$2,430		$2,430		$14,300		$14,300	
Southern California Reception Center and Clinic	35	25,078		25,078		71,322		71,322		45,700		45,700	
Youth Authority Conservation Camps for Boys	35	1,919		1,919		20,631		20,631		6,650		6,650	$158,800
Fricot Ranch School for Boys	35	10,459		10,459	$125,528	110,450		110,450	$418,752	69,560		69,560	375,800
Fred C. Nelles School for Boys	35	108,554		108,554	319,606	37,401		37,401	112,053	158,875		158,875	100,000
Northern California Youth Center	35				13,839,943				2,817,793				1,012,800
Southern California Youth Center	35				100,000				947,400				19,506,500
Paso Robles School for Boys	35	70,917		70,917	64,100	111,965		111,965		117,650		117,650	
Preston School of Industry	35	188,579		188,579		162,427		162,427		133,300		133,300	
Youth Training School	35	3,654		3,654	51,710	12,295		12,295	27,343				
Los Guilucos School for Girls	36	46,525		46,525		31,410		31,410		50,000		50,000	100,000
Ventura School for Girls	35	12,386		12,386	297,896	11,389		11,389	1,595,748	40,260		40,260	
Totals, Department of the Youth Authority	35	$490,541		$490,541	$14,798,783	$571,720		$571,720	$5,919,089	$636,295		$636,295	$21,253,900
Totals, Corrections		$949,177		$949,177	$29,550,636	$1,508,565		$1,508,565	$9,924,271	$2,262,564		$2,262,564	$26,862,150
Education:													
Department of Education:													
Special Schools for Physically Handicapped Children:													
School for the Blind	54	$7,326		$7,326		$5,400		$5,400		$60,000		$60,000	
School for Cerebral Palsied Children, Northern California	54									5,300		5,300	
School for Cerebral Palsied Children, Southern California	54	1,758		1,758									
School for the Deaf, Berkeley	54	5,927		5,927		13,000		13,000		58,650		58,650	
School for the Deaf, Riverside	54	7,247		7,247		13,536		13,536		14,615		14,615	
Totals, Education	54	$22,258		$22,258		$31,936		$31,936		$138,565		$138,565	
Higher Education:													
University of California	60	$2,016,100	[c]($65,135,058)	$2,016,100	$61,737,400	$1,529,600	[c]($82,428,065)	$1,529,600	$57,433,850	$1,527,200	[c]($56,134,245)	$1,527,200	$64,487,700
State Colleges:													
Trustees of the California State Colleges	100				$1,041,622				$1,369,169				$1,350,000
Chico State College	100	$45,313		$45,313	5,193,124	$150,690		$150,690	866,130	$184,800	[d]($3,035,000)	$181,800	1,536,900
Fresno State College	100	161,977		161,977	329,573	186,912		186,912	2,621,541	61,800	[d](5,009,550)	61,800	1,103,400
State College at Fullerton	100	56,667		56,667	5,637,124	32,237		32,237	4,659,992	5,000	[d](240,500)	5,000	4,914,215
State College at Hayward	100	107,767		107,767	3,956,322	50,033		50,033	5,352,563	26,700	[d](255,000)	26,700	1,186,500
Humboldt State College	100	80,768		80,768	651,787	237,523		237,523	2,159,653	50,400	[d](2,358,250)	50,400	2,750,700
State College in Kern County	100												100,000
State College at Long Beach	100	53,042		53,042	174,427	196,341		196,341	3,899,067	137,200	[d](2,958,875)	137,200	919,300

[1] From State Coustruction Program Fund unless otherwise indica ted—not included in overall budget totals.
[c] From University Plant Fund and nonstate funds—not included in overall budget totals.
[d] From nonstate funds—not included in overall budget totals.

Schedule 1—Capital Outlay. COMPARATIVE STATEMENT OF EXPENDITURES—Continued

Organization Unit	Page Reference	Actual 1964-65				Estimated 1965-66				Estimated 1966-67			
		General Fund	Special Funds	Total	Bond Funds[1]	Geaeral Fund	Special Funds	Total	Boad Funds[1]	General Fund	Special Funds	Total	Bond Funds[1]
STATE BUILDING PROGRAM—Continued													
Higher Education—Continued													
State College at Los Aageles	100	$95,722		$96,722	$1,050,060	$82,148		$82,148	$20,630,891	$27,500	[d]($140,712)	$27,500	$2,086,500
State College at Palos Verdes	100				179,574				8,095,067				15,341,500
Sacramento State College	101	62,759		02,769	7,282,734	105,907		105,907	2,306,850	38,400	[d](3,506,700)	38,400	4,184,570
State College at San Bernardino	101				2,465,774	10,000		10,000	6,800,189	120,800	[d](75,000)	120,800	1,921,700
San Diego State College	101	68,019		68,019	2,803,252	262,353		262,353	5,031,207	142,100	[d](5,759,800)	142,100	9,009,500
San Feraando Valley State College	101	62,186		62,186	2,648,602	96,842		96,842	2,129,242	59,300	[d](3,179,800)	59,300	1,282,700
San Francisco State College	101	9,629		9,629	397,958	129,813		129,813	6,985,567	72,000	[d](5,345,000)	72,000	5,482,150
San Jose State College	101	99,771		99,771	6,916,032	79,402		79,402	6,724,197	3,000	[d](8,345,000)	3,000	8,757,070
Sonoma State College	101	47,617		47,617	6,346,747	47,196		47,196	4,005,903	13,300	[d](74,550)	13,300	5,847,500
Stanislaus State College	101				476,828	33,000		33,000	1,228,879	30,000		36,000	144,200
State Polytechnic College	101	145,443		146,443	4,171,407	146,209		146,209	4,136,227	88,200	[d](10,450,600)	88,200	0,665,300
Less Anticipated Federal Funds	101												−15,544,700
Totals, State Colleges	101	$1,096,680		$1,096,680	$51,712,947	$1,846,606		$1,846,606	$89,002,334	$1,066,500	[d]($50,734,337)	$1,060,500	$59,629,005
Maritime Academy	151	$45,141		$45,141		$21,121		$21,121		$35,600		$35,600	
Junior College Constructioa	152				$7,316,858				$31,787,840				$7,502,440
Totals, Higher Education		$3,157,921	[c]($65,135,058)	$3,157,921	$120,767,205	$3,397,327	[c]($32,428,065)	$3,397,327	$178,224,024	$2,629,200	[c]($50,134,245) [d]($50,734,337)	$2,029,200	$131,019,145
Employment:													
Department of Employment	150		[e]$39,598	$39,598			[e]$959,098	$959,698			[e]−$403,183	−$463,183	
Fiscal Affairs:													
Department of Finance	160	$696,899	[f]($5,098,450)	$696,899	−$92	$11,594,834		$11,594,834		$500,000		$500,000	
Health and Welfare:													
Department of Mental Hygiene	162	$1,178,207		$1,178,207	$4,089,395	$2,586,642		$2,580,642	$9,968,090	$1,494,743		$1,494,743	$7,827,086
Department of Public Health	185					−282,900		−282,900	535,000				
Department of Rehabilitatioa	186								300,000				6,400,000
Orientation Center for the Blind	186	−278		−278		9,760		9,700		2,050		2,050	
Totals, Health and Welfare		$1,177,929		$1,177,929	$4,089,395	$2,313,502		$2,313,502	$10,803,090	$1,496,793		$1,496,793	$14,227,086
Military Affairs:													
Military Department	188	$206,658		$200,658		$820,460		$820,460		$331,725		$331,725	
Regulation and Licensing:													
Department of Professional and Vocational Staadards	191		[g]($154,850)				[g]($60,000)				[g]($22,150)		

[1] From State Construction Program Fund unless otherwise indicated—not included in overall budget totals.
[3] From the State Beacb, Park, Recreational and Historical Facilities Fund—not included in overall budget totals.
[d] From nonstate funds—not included in overall budget totals.
[e] From the Department of Employment Contingent Fund.
[f] From tbe School Land Fund—not included in overall budget totals.
[g] From tbe Professional and Vocational Standards Fund—not included in overall budget totals.

Schedule 1 — Capital Outlay. COMPARATIVE STATEMENT OF EXPENDITURES — Continued

Organization Unit	Page Reference	Actual 1964-65				Estimated 1965-66				Estimated 1966-67			
		General Fund	Special Funds	Total	Bond Funds[1]	General Fund	Special Funds	Total	Bond Funds[1]	General Fund	Special Funds	Total	Bond Funds[1]
STATE BUILDING PROGRAM—Continued													
Resources:													
Department of Conservation	193	$922,512		$922,512	$1,731,713	$2,441,359		$2,441,359	$7,632,021	$1,966,264		$1,966,264	$1,231,233
Department of Water Resources	203					70,000		70,000		18,500		18,500	
Totals, Resources		$922,512		$922,512	$1,731,713	$2,511,359		$2,511,359	$7,632,021	$1,984,764		$1,984,764	$1,231,233
Transportation:													
Department of the California Highway Patrol	204		[h]$2,837,029	$2,837,029			[h]$1,905,420	$1,905,420			[h]$2,551,597	$2,551,597	
Department of Motor Vehicles	208		[h]1,754,912	1,754,912			[h]3,603,180	3,603,180			[h]3,739,100	3,739,100	
Totals, Transportation			[h]$4,591,941	$4,591,941			[h]$5,508,600	$5,508,600			[h]$6,290,697	$6,290,697	
Veterans Affairs:													
Veterans' Home of California	212	$48,830		$48,830	$53,724	$236,660		$236,660		$315,270		$315,270	$1,032,000
Unallocated:													
Project Planning	215								[3]$100,000				[3]$150,000
Project Planning	215	$150,000		$150,000	$350,000	$250,000		$250,000	471,500	$600,000		$600,000	
Increased cost of construction	215									1,000,000		1,000,000	
Miscellaneous Repairs, Improvements and Equipment	215					69,765		69,765		100,000		100,000	
Interest on loans from General Fund	215				143,899								
Totals, Unallocated	215	$150,000		$150,000	$493,899	$319,765		$319,765	$471,500 [3]100,000	$1,700,000		$1,700,000	 [3]150,000
TOTALS, STATE BUILDING PROGRAM		$9,125,058	$4,745,751 [2](70,402,258)	$13,870,809	$156,686,925	$26,759,022	$6,592,447 [2](32,494,965)	$33,351,469	$235,918,391	$18,031,902	$5,892,604 [2](107,013,476)	$23,924,506	$175,121,614
State Construction Program Fund[2]					*156,686,925*				*235,818,391*				*174,971,614*
State Beach, Park, Recreational and Historical Facilities Fund[2]									*100,000*				*150,000*

1 From State Construction Program Fund unless otherwise indicated—not included in overall budget totals.
2 Bond funds and all amounts in parentheses are not included in overall budget totals.
3 From the State Beach, Park, Recreational and Historical Facilities Fund—not included in overall budget totals.
h From the Motor Vehicle Fund.

Schedule 1 — Capital Outlay. COMPARATIVE STATEMENT OF EXPENDITURES — Continued

Organization Unit	Page Reference	Actual 1964-65				Estimated 1965-66				Estimated 1966-67			
		General Fund	Special Funds	Total	Bond Funds[1]	General Fund	Special Funds	Total	Bond Funds[1]	General Fund	Special Funds	Total	Bond Funds[1]
DISTRICT FAIR CONSTRUCTION PROGRAM													
Agriculture:													
District Agricultural Associations	222	$116,325	[i]$1,074,957	$1,101,282		$47,055	[i]$3,552,604	$3,599,749		$3,053,975	[i]$1,435,860	$4,489,775	
STATE HIGHWAY PROGRAM													
Transportation Agency:													
Department of Public Works:													
State Highway Fund	228		[q]$339,262,381	$339,262,381			[q]$426,088,226	$420,088,226			[q]$314,792,300	$314,792,300	
Other Funds	228		[r](14,072,012)				[r](8,425,986)						
WILDLIFE CONSERVATION PROGRAM													
Resources:													
Department of Fish and Game	302		[j]$334,167	$334,167			[j]$340,928	$340,928			[j]$850,000	$850,060	
Wildlife Conservation Board	304		[k]1,189,838	1,189,838			[k]816,660	810,606	[3]979,018		[k]809,500	809,500	[3]$1,010,031
Totals, Wildlife Conservation Program			$1,524,065	$1,524,005			$1,150,928	$1,150,928	[3]$979,018		$1,659,560	$1,659,500	[3]$1,016,031
PARKS AND RECREATION ACQUISITION AND DEVELOPMENT PROGRAM													
Resources:													
Department of Parks and Recreation:													
Division of Beaches and Parks	308	$19,082,125		$19,082,125		$20,585,710	[l]66,506	$20,652,210	[3]$40,815,358	$14,839,512		$14,839,512	[3]$48,874,336
Division of Beaches and Parks	308						[m](378,910)				[m]($522,145)		
CALIFORNIA WATER FACILITIES PROGRAM													
Resources:													
Department of Water Resources	332	$442,992	[n]$8,206,989	$8,643,981	[o]$157,218,776 [p]564,962	$671,547	[n]$11,606,060	$11,671,547	[o]$277,814,936 [p]4,738,280	$406,342	[n]$11,000,000	$11,406,342	[o]$134,322,300 [p]108,343,411
TOTALS, CAPITAL OUTLAY		$28,766,560	$354,808,083 [2](84,474,270)	$383,574,583	$314,476,663	$48,063,334	$442,456,795 [2](41,299,861)	$496,514,129	$560,265,983	$36,331,731	$334,780,204 [2](107,535,621)	$371,111,935	$558,277,692
State Construction Program Fund[2]					*156,686,925*				*235,818,391*				*174,971,614*
Central Valley Water Project Construction Fund[2]					*564,962*				*4,738,280*				*108,343,411*
California Water Resources Development Bond Fund[2]					*157,213,776*				*277,814,936*				*134,322,300*
State Beach, Park, Recreational and Historical Facilities Fund[3]									*41,894,376*				*50,640,367*

[1] From State Construction Program Fund unless otherwise indicated—not included in overall budget totals.
[2] Bond funds and all amounts in parentheses are not included in overall budget totals.
[3] From the State Beach, Park, Recreational and Historical Facilities Fund—not included in overall budget totals.
[i] From the Fair and Exposition Fund.
[j] From the Fish and Game Preservation Fund.
[k] From the Wildlife Restoration Fund.
[l] From the Motor Vehicle Transportation Tax Fund.
[m] From the Small Craft Harbor Revolving Fund—not included in overall budget totals.
[n] From the California Water Fund.
[o] From the California Water Resources Development Bond Fund—not included in overall budget totals.
[p] From the Central Valley Water Project Construction Fund—not included in overall budget totals.
[q] From state highway funds.
[r] For state highway purposes from other funds—not included in overall budget totals.

Schedule 2—Capital Outlay

COMPARATIVE STATEMENT OF EXPENDITURES OF FEDERAL AID GRANTED TO THE STATE OF CALIFORNIA FOR THE FISCAL YEARS 1964-65, 1965-66, AND 1966-67

Function	Page reference	Actual 1964–65	Estimated 1965-66	Estimated 1966-67
STATE BUILDING PROGRAM				
EXECUTIVE:				
Disaster Office				
Minor Projects	1		$98,450	$67,300
EDUCATION:				
School for Deaf, Berkeley				
Federal Vocational Education Act	54			$48,650
School for Deaf, Riverside				
Federal Vocational Education Act	54			9,000
Totals, Education	54			$57,650
HIGHER EDUCATION:				
University of California	60		$10,721,500	$12,500,000
State Colleges:				
Trustees of the California State Colleges	101			$15,544,700
San Francisco State College	101		$1,000,000	
San Jose State College	101			1,000,000
California State Polytechnic College	101		578,169	
Totals, State Colleges	101		$1,578,169	$16,544,700
Junior College Construction	152		$3,770,269	$7,762,896
Totals, Higher Education			$16,069,938	$36,807,596
EMPLOYMENT:				
Department of Employment				
Construction	156	−$303,058	$68,900	$2,166,500
Recovery of Capital Expenditures through rent	156	−326,019	−383,874	−379,383
Totals, Department of Employment	156	−$629,077	−$314,974	$1,787,117
HEALTH AND WELFARE:				
Department of Mental Hygiene				
Neuropsychiatric Institute at University of California, Los Angeles	162			$3,733,000
Department of Public Health				
Cancer Research Facility, Berkeley	185	$508,255	$815,695	
Department of Rehabilitation	186	34,697	12,580	6,150
Totals, Health and Welfare		$542,952	$828,275	$3,739,150
MILITARY AFFAIRS:				
Military Department				
Construction of Armories	188	$1,055,033	$149,000	$51,300
Facilities for maintenance and care of federal equipment	188	($258,000)	($429,000)	($2,900,000)
RESOURCES:				
Department of Conservation				
Office of Civil Defense Communications Assistance	193	$164,600		
Oak Glen Job Corp Conservation Center	193		$237,500	
Totals, Conservation	193	$164,600	$237,500	
Totals, State Building Program		$1,133,508 ($258,000)	$17,068,189 ($429,000)	$42,510,113 ($2,900,000)
STATE HIGHWAY PROGRAM				
TRANSPORTATION:				
Department of Public Works				
State Highways	228	$305,708,240	$317,442,281	$339,409,355
State Highway Fund	239	332,610		
Totals, Transportation		$306,040,850	$317,442,281	$339,409,355

Schedule 2—Capital Outlay—COMPARATIVE STATEMENT OF EXPENDITURES OF FEDERAL AID GRANTED TO THE STATE OF CALIFORNIA FOR THE FISCAL YEARS 1964-65, 1965-66, AND 1966-67—Continued

Function	Page reference	Actual 1964–65	Estimated 1965–66	Estimated 1966–67
WILDLIFE CONSERVATION PROGRAM				
Department of Fish and Game				
Accelerated Public Works Program	302	----------	$75,000	----------
Wildlife Conservation Board				
Accelerated Public Works Program	304	$170,915	89,955	----------
Land and Water Conservation Fund Act	304	----------	----------	$462,370
Totals, Wildlife Conservation Program	------	$170,915	$164,955	$462,370
PARKS AND RECREATION ACQUISITION AND DEVELOPMENT PROGRAM				
Department of Parks and Recreation				
San Luis Project	308	----------	----------	$2,284,390
CALIFORNIA WATER FACILITIES PROGRAM				
Department of Water Resources				
Flood Control—Oroville Dam Project	335	$8,540,000	$12,760,000	$14,000,000
TOTALS, CAPITAL OUTLAY (*Federal Funds*)	------	$315,885,273	$347,435,425	$398,666,228
		($258,000)	($429,000)	($2,900,000)

Schedule 3—Capital Outlay

SUMMARY OF PROPOSED EXPENDITURES BY METHOD OF APPROPRIATION FOR THE FISCAL YEAR 1966–67

Function	Proposed Budget Act of 1966				Fixed Charges and Continuing Appropriations		Prior Year Appropriations and Reappropriations				Total Expenditure
	General Fund	Special Funds	Total	Bond Fund[a]	Special Funds	Bond Funds	General Fund	Special Funds	Total	Bond Fund[a]	
STATE BUILDING PROGRAM											
Executive:											
California Disaster Office	$67,300		$67,300								$67,300
General Administration:											
Department of General Services	2,214,460		2,214,460								2,214,460
State Fair and Exposition							$4,091,645		$4,091,645		4,091,645
Agriculture:											
Department of Agriculture	304,756		304,756					[b]($122,744)			304,756
Museum of Science and Industry	59,950		59,950				−65,090	65,090			59,950
Corrections:											
Department of Corrections	1,626,269		1,626,269	$5,608,250							1,626,269
Department of the Youth Authority	636,295		636,295	21,253,900							636,295
Education:											
School for the Blind	60,000		60,000								60,000
School for Cerebral Palsied Children, Northern California	5,300		5,300								5,300
School for the Deaf, Berkeley	58,650		58,650								58,650
School for the Deaf, Riverside	14,615		14,615								14,615
Higher Education:											
University of California	1,527,200		1,527,200	64,487,700				[c](56,134,245)			1,527,200
Trustees of the California State Colleges	1,066,500		1,066,500	59,629,005				[d](50,734,337)			1,066,500
California Maritime Academy	35,500		35,500								35,500
Junior College Construction				7,502,440							
Employment:											
Department of Employment		$30,000	30,000					−493,183	−493,183		−463,183
Unemployment Trust Fund (Reed Act)		[e](2,166,500)						[e](−379,383)			
Fiscal Affairs:											
Department of Finance	500,000		500,000								500,000
Health and Welfare:											
Department of Mental Hygiene	1,494,743		1,494,743	7,827,086							1,494,743
Department of Rehabilitation	2,050		2,050	6,400,000							2,050
Military Affairs:											
Military Department	331,725		331,725								331,725
Regulation and Licensing:											
Department of Professional and Vocational Standards		[f](22,150)									
Resources:											
Department of Conservation	1,966,264		1,966,264	1,231,233							1,966,264
Department of Water Resources	18,500		18,500								18,500
Transportation:											
Department of the California Highway Patrol		2,551,597	2,551,597								2,551,597
Department of Motor Vehicles		3,739,100	3,739,100								3,739,100
Veterans Affairs:											
Veterans' Home of California	315,270		315,270	1,032,000							315,270

[a] From State Coustruction Program Fund unless otherwise indicated—not included in overall budget totals.
[b] From tbe Department of Agriculture Building Fund—not included in overall budget totals.
[c] From University Plant Funds and nonstate funds—not iucluded in overall budget totals.
[d] From nonstate funds—not included in overall budget totals.
[e] Unemployment Trust Fund expenditures are iucluded in Schedule 2 but not in Schedule 1—not included in overall budget totals.
[f] From the Department of Professional and Vocational Standards Fund—not included in overall budget totals.

Schedule 3—SUMMARY OF PROPOSED EXPENDITURES BY METHOD OF APPROPRIATION FOR THE FISCAL YEAR 1966–67—Continued

Function	Proposed Budget Act of 1966				Fixed Charges and Continuing Appropriations		Prior Year Appropriations and Reappropriations				Total Expenditure
	General Fund	Special Funds	Total	Bond Fund[a]	Special Funds	Bond Funds	General Fund	Special Funds	Tota	Bond Fund[a]	
STATE BUILDING PROGRAM—Continued											
Unallocated:											
Project Planning	$600,000		$600,000	[g]$150,000							$600,000
Increased Cost of Construction	1,000,000		1,000,000								1,000,000
Miscellaneous Repairs, Improvements and Equipment	100,000		100,000								100,000
TOTALS, STATE BUILDING PROGRAM	$14,005,347	$6,320,697 (2,188,650)	$20,326,044	$175,121,614			$4,026,555	—$428,093 (106,611,943)	$3,598,462		$23,924,506
General Fund											*18,031,902*
Special Funds											*5,892,604*
DISTRICT FAIR CONSTRUCTION PROGRAM											
Agriculture:											
District Agricultural Associations	$3,053,975		$3,053,975		$1,435,800						$4,489,775
STATE HIGHWAY PROGRAM											
Transportation Agency:											
Division of Highways					$314,792,300						$314,792,300
WILDLIFE CONSERVATION PROGRAM											
Resources:											
Department of Fish and Game		$850,000	$850,000								$850,000
Wildlife Conservation Board				[g]$1,616,031	$809,500						809,500
PARKS AND RECREATION ACQUISITION AND DEVELOPMENT PROGRAM											
Resources:											
Department of Parks and Recreation:											
Division of Beaches and Parks	$14,839,512		$14,839,512	[g]$48,874,336							$14,839,512
Division of Small Craft Harbors		[h]($522,145)									
CALIFORNIA WATER FACILITIES PROGRAM											
Resources:											
Department of Water Resources	$395,342		$395,342				$11,000	$11,000,000	$11,011,000	[i]$134,322,300 [j]198,343,411	$11,406,342
GRAND TOTALS, CAPITAL OUTLAY	$32,294,176	$7,170,697 (2,710,795)	$39,464,873	$225,611,981	$317,037,600		$4,037,555	$10,571,907 (106,611,943)	$14,609,462	[i]$332,065,711	$371,111,935
General Fund											*36,331,731*
Special Funds											*334,780,204*

[a] From State Construction Program Fund unless otherwise indicated—not included in overall budget totals.
[g] From the State Beach, Park, Recreational and Historical Facilities Fund—not included in overall budget totals.
[h] From the Small Craft Harbor Revolving Fuud—not included in overall budget totals.
[i] From the California Water Resources Development Bond Fund—not included in overall budget totals.
[j] From the Central Valley Water Project Construction Fund—not included in overall budget totals.

Schedule 4—Capital Outlay

COMPARATIVE STATEMENT OF FIXED CHARGES AND CONTROLLABLE EXPENDITURES FOR THE FISCAL YEARS 1964–65, 1965–66 AND 1966–67

Purpose and legal citation	Actual 1964–65			Estimated 1965–66			Estimated 1966–67		
	General Fund	Special Funds	Total	General Fund	Special Funds	Total	General Fund	Special Funds	Total
FIXED BY STATUTES:									
Agriculture:									
District Agricultural Associations									
Section 19630, Business and Professions Code and Section 88, Agricultural Code	----------	$1,074,957	$1,074,957	----------	$3,352,694	$3,352,694	----------	$1,435,800	$1,435,800
Transportation Agency:									
Department of Public Works									
Section 183, Streets and Highways Code	----------	338,979,418	338,979,418	----------	416,838,631	416,838,631	----------	314,792,300	314,792,300
Resources:									
Wildlife Conservation Board									
Section 1352, Fish and Game Code	----------	1,189,838	1,189,838	----------	810,000	810,000	----------	809,500	809,500
TOTALS, FIXED CHARGES	----------	$341,244,213	$341,244,213	----------	$421,001,325	$421,001,325	----------	$317,037,600	$317,037,600
CONTROLLABLE EXPENDITURES									
Expenditures from appropriations and authorizations which are subject to legislative or executive determinations, including Budget Act appropriations, special appropriations, balances available in prior year appropriations made available for expenditure for more than one fiscal year, and deficiency authorizations.									
TOTALS, CONTROLLABLE EXPENDITURES	$28,766,500	$13,563,870	$42,330,370	$48,063,334	$21,449,470	$69,512,804	$36,331,731	$17,742.604	$54,074,335
TOTALS, CAPITAL OUTLAY	$28,766,500	$354,808,083	$383,574,583	$48,063,334	$442,450,795	$490,514,129	$36,331,731	$334,780,204	$371,111,935

Schedule 5—Capital Outlay

Expenditures for the 1964-65 and 1965-66 Fiscal Years—RECONCILIATION OF THE CHANGES FROM THE PREVIOUS BUDGET ESTIMATES

	1964-65 Fiscal Year			1965-66 Fiscal Year								
	Estimated Expenditures 1965-66 Budget	Deferred Expenditures and Savings	Actual Expenditures	1965-66 Budget as Submitted	Effect of Legislative Action	Total Proposed Expenditures	Prior Year Balance Forward Adjustments	Transfers	Allocations	Deficiency Appropriations	Estimated Savings	Estimated Expenditures
GENERAL FUND												
Executive	$33,860	−$33,405	$365	$04,650		$64,650	$33,405					$98,055
General Administration	2,841,861	−1,052,482	1,789,379	4,769,250	$16,060	4,785,040	1,064,459	−$2,200,186	$8,200		$35,788	3,694,201
Agriculture	505,873	−386,448	119,425	−28,608	7,600	−21,008	345,408	−11,216	5,500		−39,271	276,413
Corrections	1,359,151	−409,974	949,177	1,205,141	−75,000	1,130,141	370,897		7,527			1,568,565
Education	38,677	−16,419	22,258	18,840		18,840	15,079	−2,218	235			31,936
Higher Education	4,168,263	−1,010,342	3,157,921	2,614,000	3,600	2,617,606	841,016	−97,033	34,844			3,397,327
Fiscal Affairs	1,083,222	−386,323	696,899	−1,060,375		−1,069,375	[a]10,470,017	2,104,192				11,594,834
Health and Welfare	1,550,034	−372,105	1,177,929	1,047,460	3,550	1,951,010	362,462					2,313,502
Military Affairs	1,247,259	−1,040,001	205,658	515,060	−56,060	456,000	803,385	−32,425			−406,560	820,460
Resources	35,075,210	−14,627,590	20,447,626	8,612,228	661,986	6,274,214	14,427,848		77,554		−11,060	23,768,616
Veterans Affairs	228,390	−179,560	48,830	57,100		57,100	179,560					236,660
Unallocated	331 632	−181,632	150,060	1,350,000	−140,060	1,210,006	−116,362	148,886	−146,500		−776,160	310,765
Totals, Capital Outlay (General Fund)	$48,463,381	−$19,696,881	$28,766,560	$20,055,686	$422,426	$20,478,112	$28,798,104		−$12,700		−$1,200,182	$48,063,334
SPECIAL FUNDS												
Agriculture	$3,127,961	−$1,938,702	$1,189,169	$1,637,878		$1,637,878	$1,914,816				$124.149	$3,676,843
Employment	1,675,513	−1,636,015	39,598	107,060	−$465,600	−357,934	1,317,632					059,698
Highway Traneportation	408,184,566	−64,330,247	343,854,322	305,446,840	−1,805,332	303,641,508	121,754,121		$201,197			425,596,826
Resources	13,240,522	−3,515,528	9,724,964	13,162,943	356,000	13,521,643	−1,394,731	$480,216	35,060		−434,660	12,217,428
Totals, Capital Outlay (Special Funds)	$420,228,565	−$71,420,582	$354,808,083	$320,354,727	−$1,911,332	$318,443,365	$123,591,838	$486,216	$236,197		−$309,851	$442,450,705
Total Capital Outlay (General and Special Funds)	$474,692,040	−$91,117,463	$383,574,583	$340,410,413	−$1,488,966	$338,921,507	$152,389,942	$486,216	$223,497		−$1,510,033	$490,514,129

[a] Includes an $8,977,402 appropriation transferred from the School Land Fund abolished as of July 1, 1965.

SUMMARY OF FIVE-YEAR BUILDING PROGRAM

EXCLUDING FEDERAL AND NON-STATE FUNDS

SUMMARY	PROPOSED 1966-67	PROJECTED 1967-68	PROJECTED 1968-69	PROJECTED 1969-70	PROJECTED 1970-71	TOTAL FIVE-YEAR PROGRAM
STATE BUILDING PROGRAM						
EXECUTIVE						
California Disaster Office	$67,300	$253,000	$180,000	$130,000	$120,000	$750,300
ADMINISTRATION						
Department of General Services	$2,214,460	$13,520,175	$17,462,000	$15,600,000	$10,900,000	$59,696,635
State Exposition and Fair Executive Committee	4,091,645	–	–	–	–	4,091,645
Totals, Administration	$6,306,105	$13,520,175	$17,462,000	$15,600,000	$10,900,000	$63,788,280
AGRICULTURE						
Department of Agriculture	$304,756	$322,000	$190,000	$1,095,000	$595,000	$2,506,756
Museum of Science and Industry	59,950	65,000	65,000	65,000	65,000	319,950
Totals, Agriculture	$364,706	$387,000	$255,000	$1,160,000	$660,000	$2,826,706
CORRECTIONS						
Department of Corrections:						
Departmental Administration	$70,000	$600,000	$615,000	$630,000	$650,000	$2,565,000
California Conservation Center	12,000	108,000	–	–	–	120,000
Southern Conservation Center	35,239	163,000	–	–	–	198,239
Correctional Institutions at Tehachapi	1,068,000	–	–	–	–	1,068,000
Correctional Training Facility	1,152,848	782,000	973,000	1,904,500	1,007,000	5,819,348
Deuel Vocational Institution	327,484	–	–	1,707,500	150,000	2,184,984
State Prison at Folsom	118,315	3,901,250	150,000	950,000	150,000	5,269,565
Institution for Men	703,620	1,656,900	1,020,100	87,500	–	3,468,120
Medical Correctional Institution	1,430,000	1,000,000	19,000,000	–	1,900,000	23,330,000
Medical Facility	–	–	2,131,100	175,000	–	2,306,100
Men's Colony—East Facility	12,796	230,000	–	200,000	7,500	450,296
Men's Colony—West Facility	10,056	–	–	–	–	10,056
Special Security Facility	650,000	18,000,000	–	1,800,000	–	20,450,000
State Prison at San Quentin	1,472,340	1,862,500	3,610,000	327,750	337,500	7,610,090
Institution for Women	51,521	807,800	177,000	–	–	1,036,321
Rehabilitation Center	120,300	–	–	–	–	120,300
Industrial Training Facility	–	–	600,000	16,000,000	–	16,600,000
Short-term Training Facility	–	–	–	600,000	16,000,000	16,600,000
New Women's Institution (First phase)	–	–	–	900,000	3,500,000	4,400,000
Totals, Department of Corrections	$7,234,519	$29,111,450	$28,276,200	$25,282,250	$23,702,000	$113,606,419
Department of the Youth Authority:						
Departmental Administration	($636,295)	$471,250	$471,250	$471,250	$471,250	$1,885,000
Northern California Reception Center and Clinic	14,300	–	–	–	–	14,300
Southern California Reception Center and Clinic	45,700	–	–	–	–	45,700
Youth Authority Conservation Camps for Boys	165,450	107,800	–	–	–	273,250
Fricot Ranch School for Boys	445,360	372,000	–	–	–	817,360
Fred C. Nelles School for Boys	258,875	860,000	38,100	–	–	1,156,975
Northern California Youth Center	1,012,800	9,816,000	500,000	–	–	11,328,800
Southern California Youth Center	19,506,500	1,720,000	–	–	–	21,226,500
Paso Robles School for Boys	117,650	546,800	28,000	–	–	692,450
Preston School of Industry	133,300	544,400	–	–	–	677,700
Youth Training School	–	70,000	–	–	–	70,000
Los Guilucos School for Girls	150,000	2,000,000	587,700	–	–	2,737,700
Ventura School for Girls	40,260	–	–	–	–	40,260
Totals, Department of the Youth Authority	$21,890,195	$16,508,250	$1,625,050	$471,250	$471,250	$40,965,995
Totals, Corrections	$29,124,714	$45,619,700	$29,901,250	$25,753,500	$24,173,250	$154,572,414

EDUCATION						
Department of Education:						
Special Schools for Physically Handicapped Children:						
School for the Blind	$60,000	–	–	–	–	$60,000
School for Cerebral Palsied Children, Northern California	5,300	–	–	–	–	5,300
School for the Deaf, Berkeley	58,650	$92,000	$90,000	–	–	240,650
School for the Deaf, Riverside	14,615	80,000	1,589,276	$70,316	–	1,754,207
Projected minor projects	–	100,000	100,000	100,000	$100,000	400,000
Totals, Education	$138,565	$272,000	$1,779,276	$170,316	$100,000	$2,460,157
HIGHER EDUCATION						
University of California	$66,014,900	$93,557,400	$93,823,300	$54,842,400	$63,769,600	$372,007,600
State Colleges:						
Trustees of the California State Colleges	1,350,000	2,675,900	2,656,900	2,422,000	2,450,000	11,554,800
Chico State College	1,721,700	9,244,980	1,020,000	4,328,000	1,094,000	17,408,680
Fresno State College	1,165,200	1,482,000	1,445,000	895,000	3,500,000	8,487,200
State College at Fullerton	4,919,215	1,243,000	4,695,000	1,212,500	3,500,000	15,569,715
State College at Hayward	1,213,200	3,925,000	8,685,000	2,765,000	950,000	17,538,200
Humboldt State College	2,801,100	1,494,000	1,572,000	2,891,000	808,000	9,566,100
State College in Kern County	100,000	2,670,000	8,490,000	6,450,000	1,810,000	19,520,000
State College at Long Beach	1,056,500	10,872,733	3,478,000	2,182,000	3,413,000	21,002,233
State College at Los Angeles	2,714,000	12,394,700	1,567,000	2,979,000	1,671,000	21,325,700
State College at Palos Verdes	15,341,500	4,025,600	1,727,000	1,112,000	9,905,000	32,111,100
Sacramento State College	4,222,970	3,079,700	4,450,000	1,183,000	1,603,000	14,538,670
State College at San Bernardino	2,042,500	5,050,900	2,548,000	4,218,000	6,450,000	20,309,400
San Diego State College	9,151,600	5,299,300	6,039,000	4,982,000	1,073,000	26,544,900
San Fernando Valley State College	1,342,000	790,000	5,142,000	1,300,000	3,495,000	12,069,000
San Francisco State College	5,554,150	8,176,000	5,940,000	6,290,000	3,600,000	29,560,150
San Jose State College	8,760,070	2,147,000	12,424,000	3,788,000	4,841,500	31,960,570
Sonoma State College	5,860,800	497,000	3,433,000	4,950,000	923,000	15,663,800
Stanislaus State College	180,200	2,173,600	1,420,000	2,045,000	700,000	6,518,800
State Polytechnic College	6,743,500	2,293,000	7,081,000	2,691,000	6,157,000	24,965,500
Less anticipated federal reimbursements	*–15,544,700*	*–7,000,000*	*–7,000,000*	*–7,000,000*	*–7,000,000*	*–43,544,700*
Totals, State Colleges	$60,695,505	$72,534,413	$76,812,900	$51,683,500	$50,943,500	$312,669,818
Maritime Academy	35,500	185,000	830,000	275,000	300,000	1,625,500
Junior college construction	7,502,440	6,039,250	4,095,750	8,782,250	10,521,000	36,940,690
Totals, Higher Education	$134,248,345	$172,316,063	$175,561,950	$115,583,150	$125,534,100	$723,243,608
EMPLOYMENT						
Department of Employment	–$463,183	$2,330,000	$1,495,000	$725,000	–$10,000	$4,076,817
FISCAL AFFAIRS						
Department of Finance	$500,000	–	–	–	–	$500,000
HEALTH AND WELFARE						
Department of Mental Hygiene	$9,321,829	$54,545,700	$35,811,800	$11,365,000	$20,075,000	$131,119,329
Department of Public Health	–	450,000	5,675,000	–	–	6,125,000
Department of Rehabilitation:						
Orientation Center for the Blind	2,050	–	–	–	–	2,050
California Rehabilitation Center for the Mentally Retarded at San Jose	6,400,000	–	–	–	–	6,400,000
Totals, Health and Welfare	$15,723,879	$54,995,700	$41,486,800	$11,365,000	$20,075,000	$143,646,379
MILITARY AFFAIRS						
Military Department	$331,725	$3,058,400	$563,500	$569,250	$1,091,400	$5,614,275

SUMMARY OF FIVE-YEAR BUILDING PROGRAM—Continued

EXCLUDING FEDERAL AND NON-STATE FUNDS—Continued

SUMMARY	PROPOSED 1966-67	PROJECTED 1967-68	PROJECTED 1968-69	PROJECTED 1969-70	PROJECTED 1970-71	TOTAL FIVE-YEAR PROGRAM
STATE BUILDING PROGRAM—Continued						
RESOURCES						
Department of Conservation	$3,197,497	$5,147,380	$7,373,963	$5,536,398	$5,017,109	$26,272,347
Department of Water Resources	18,500	25,000	30,000	40,000	20,000	133,500
Totals, Resources	$3,215,997	$5,172,380	$7,403,963	$5,576,398	$5,037,109	$26,405,847
TRANSPORTATION AGENCY						
Department of the California Highway Patrol	$2,551,597	$6,656,000	$1,540,000	$1,905,000	$1,630,000	$14,282,597
Department of Motor Vehicles	3,739,100	4,772,365	2,420,905	9,957,800	2,176,400	23,066,570
Totals, Transportation Agency	$6,290,697	$11,428,365	$3,960,905	$11,862,800	$3,806,400	$37,349,167
VETERANS AFFAIRS						
Veterans' Home of California	$1,347,270	$1,246,300	$205,000	$413,800	$714,350	$3,926,720
UNALLOCATED						
Project planning	$750,000	–	–	–	–	$750,000
Increased cost of construction	1,000,000	–	–	–	–	1,000,000
Miscellaneous repairs, improvements and equipment	100,000	–	–	–	–	100,000
Construction funds—laundry	–	–	–	–	–	–
Totals, Unallocated	$1,850,000	–	–	–	–	$1,850,000
TOTALS, STATE BUILDING PROGRAM	$199,046,120	$310,599,083	$280,254,644	$188,909,214	$192,201,609	$1,171,010,670

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